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January	1– 62	July	389–434
February	63–120	August	435–506
March	121–182	September	507–566
April	183–244	October	567–620
May	245–314	November	621–682
June	315–388	December	683–753

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INDEX

NATIONAL MUNICIPAL REVIEW

VOLUME XX, 1931

AUTHORS

Ahl, Frances N. 32
Allen, Warren W. 454
Aronovici, Carol 251
Ascher, Charles S. 592
Atkinson, R. C. 383, 446, 480, 679
Aumann, F. R. 82

Bard, Albert S. 465
Barnett, James D. 148
Bauer, John 106, 168, 231, 300, 316, 372, 424, 436, 543, 610, 666, 729
Becker, Viola M. 189
Bennett, Emmett L. 71
Bennett, March G. 386
Betters, Paul V. 482
Bird, Frederick L. 630
Blaser, A. F. 177
Blog, Leon 581
Bohn, Ernest J. 676
Book, William H. 513
Bradshaw, William L. 388
Bromage, Arthur W. 555
Buck, A. E. 325

California Taxpayers' Association 434
Campion, Alfred H. 256
Cooke, Morris Llewellyn 641
Corson John J., 3d 197, 480
Cottrell, Edwin A. 241, 242
Crosser, C. A. 78

DeBoer, S. R. 253
Dence, E. M. 18
Dimock, Marshall E. 31, 311, 481, 638, 678, 691, 742
Dow, E. F. 511
Durisch, Lawrence L. 460

Egger, Rowland A. 48, 109, 172, 235, 263, 304, 376, 547, 614, 669, 733
Eibling, Elbert 398, 619, 740, 742
Ervin, Spencer 573

Fairlie, John A. 62, 650
Faust, Martin L. 12, 62, 74, 118, 432
Fenning, Frederick A. 16
Fishack, Howard G. 201
Forbes, Russell 431, 554, 745
Ford, P. 181
Freeman, Harry H. 457
Freund, Ernst 537

Goodrich, Robert M. 387
Gosnell, Cullen B. 117, 395, 681
Gove, George 116
Graham, George A. 523

Hall, Albert H. 596
Hall, James K. 342
Hallett, George H., Jr. 179, 432
Hamm, John E. 616
Harris, Joseph P. 407, 680
Harris, William D. 243, 386
Herrold, George H. 310
Hodges, Henry G. 281, 743
Hormell, Orren C. 131
Hurlburt, Walter C. 277
Husselman, R. 334

Jones, Howard P. 5, 67, 125, 187, 249, 319, 391, 439, 571, 625, 687

Keeler, Harris S. 118
Kelly, Alice 177

Lancaster, Lane W. 271
Lawrence, F. E., Jr. 695
Logan, Edward B. 680
Lovett, W. P. 178, 402, 677, 682, 741
Lutz, Harley L. 584

Manning, John W. 180
Maris, Albert B. 206
Martin, Edward M. 310
Masslich, Chester B. 328
Matscheck, Walter 430
McKinley, Charles 646
Merriam, Charles E. 7
Morrow, Dwight W. 627
Mosher, William E. 210
Murnane, J. E. 192

Nanry, William H. 259
Newman, Bernard J. 27
Norden, Walter 139, 697

Owsley, Roy H. 133

Pear, William H. 635
Pollock, James K. 669
Prescott, Frank W. 136
Probst, J. B. 143

Reeder, S. L. 618, 739
Reid, Hugh 127

Reynolds, W. S. 689
Ridley, Clarence E. 24, 676
Rightor, C. E. 349, 703

Salter, J. T. 479
Sampson, E. T. 86
Seligman, Adrian 660
Shenefield, H. T. 267
Simpson, Herbert D. 518
Solomon, Samuel R. 152
Stratton, Ira W. 90
Strohm, Edna 739
Swan, Herbert S. 557

teGroen, William P. 441
Telford, Fred 583
Tooke, C. W. 44, 101, 165, 227, 296, 368, 537, 604, 660, 723
Trull, Edna 42, 69, 98, 163, 224, 294, 366, 422, 476, 535, 602, 658, 721

Wager, Paul W. 527
Walker, Harvey 393
Walsh, John J. 385
Watson, William 620
Weiss, Morton D. 314
Williams, Aubrey W. 577
Wilson, Ray W. 555
Wooddy, Carroll H. 321
Woodruff, Clinton Rogers 588
Wright, Howell 413

TITLES AND SUBJECTS

Administration (see State Government):
  Administrative Reorganization in Cincinnati 71
  Administrative Reorganization in Maine 131
  Georgia Consolidates Its Administration 681
  Maine's Administrative Code 511
  Oregon Voters Defeat State Administrative Reorganization, But— 646
Airports—Limitation of Statutory Powers—Incidental Conduct of Collateral Enterprises 44
Allegan, Michigan:
  Developments in Municipal Ownership of Electric Light and Power 430
Amendment to Complete City-County Consolidation in Philadelphia 123
American Cities and the Business Depression 630
American Citizenship and Australian Election Methods 90
A. C. A.'s Annual Traveling Meeting to be in Detroit Region 619, 682
American Governors Since 1915 152
Apportionment:
  Michigan Rejects Detroit's Claim for Legislative Representation 61
  "Rotten Borough" Representation in Ohio 82
  Rotten Boroughs in Georgia 395
Appraising Municipal Reports 24
Arlington County Adopts the Manager Plan 127
Asheville, North Carolina:
  Modified City-County Consolidation .. 386
Atlanta's Charter Changes 1
Attack on Ohio Administrative Code Repulsed 383
Australia:
  American Citizenship and Australian Election Methods 90
Austria:
  Building Control in Europe 735

Baltimore Commission on Governmental Efficiency 380, 737
Belgium:
  An Administrative Court for Belgium .. 305
Berlin's New Government 697
Billboards:
  Billboards—Elimination of Billboards Obstructing Highway View by Condemnation 101
  Massachusetts Billboard Cases 464
  Official Backing for Billboard Control in New York 680
Bombay, India:
  Municipal Affairs in India 650
Bonded Debt of 257 Cities as at January 1, 1931 349
Boston:
  Boston Finance Commission 52
  How Boston Feeds Its Hungry From Tax Funds 635

  Metropolitan Boston Bill Before Legislature 386

Boulder City, Nevada:
  City Plan of Boulder City 253
Boundaries—Inclusion of Noncontiguous Lands Within Town 230
Brain Muddle in Chicago 518
British Mayors 588

Brunswick, Georgia:
  First Installation in Brunswick, Georgia, Made by the Committee on Uniform Street Sanitation Records 383
Budgetary Developments in Los Angeles 481
Buffalo Public School Survey 457

Calcutta, India:
  Calcutta Municipal Gazette 238
  Municipal Affairs in India 650

California:
  California Commission on County Home Rule Makes Its Report 241
  California Taxpayers' Association 52, 113, 175, 238, 308, 380, 551, 673, 738
  Cost of County Government in California 312
  Important California Cities Adopt C.-M. Plan 435
  More Water for Southern California 441
  Special Assessment Debt Limited in California 434
  Three California Cities 242
  Training for Government at the University of Southern California 433

Canada:
  Citizens' Research Institute of Canada 53
  Montreal Metropolitan Commission Pools Region's Credit 186

Centralized Purchasing:
  Items in N. M. L. Program Being Considered by State Legislatures 69
  New State Purchasing Department Will Save $400,000 in First Four Months 554
  Summary of 1931 State Purchasing Legislation 431
Charter Committee Again Wins Control of Council in Cincinnati 739

Charters:
Atlanta's Charter Changes 1
  Home Rule Charters.—Strict Compliance with Constitutional Provisions for Adoption of Charters 728
  Items in N. M. L. Program Being Considered by State Legislatures 69
  San Francisco Adopts a New Charter 259
  Three California Cities Considering Adoption of Novel Charters 186

Chattanooga, Tennessee:
  Bureau of Governmental Research, Chattanooga Chamber of Commerce 308, 428

Chicago:
  Brain Muddle in Chicago 518
  Chicago Council Authorizes First Step Towards a New Subway 118
  Chicago Police Problems 247
  Chicago's New Deal in Municipal Affairs 310
  Chicago's Poor Relief Machinery Stands the Test 689
  Jubilee in Chicago 321
  Mayor Cermak's Possibilities 315
  What Should We Demand of Our Mayors? 64

China:
  National Municipal Association Organized in China 620

Cincinnati:
  Administrative Reorganization in Cincinnati 71
  Charter Committee Again Wins Control of Council in Cincinnati 739
  Cincinnati Bureau of Municipal Research 175
  Regional Police Coördination 246
Cities Can Survey Themselves—But 686
Citizens' Committee Supervises Expenditure of St. Louis Bond Issue 695

City Managers and City Manager Government:
  City Manager in Kentucky 133
  City Managers Hold Successful Convention in Louisville 676
  Cleveland Abandons Manager Plan 385
  Cleveland Deserts the Manager Plan 739
  Cleveland Politicians Restless Under Manager Plan 567
  Dublin's City Manager 64
  Fate of C. M.-P. R. Bills in Pennsylvania 432
  Flint's First Six Months of Manager Government 189
  Important California Cities Adopt C.-M. Plan 435
  Items in N. M. L. Program Being Considered by State Legislatures 69
  Mayor Urges Novel City Manager Plan 313

  Optional P. R.-Manager Bills in the Pennsylvania Legislature 179
  Qualities of a Good City Manager 64
  Teaneck Under the Manager Plan Cuts Taxes Ten Per Cent 449
  Two Manager Plans Before Toledo Voters 618

City Planning:
  Building Control in Europe 734
  City Plan of Boulder City 253
  County Platting Regulations Adopted . . 62
  How to Avoid Blights by Motor Highways 2
  Theory and Practice in Building Lines Under Eminent Domain 557
  Value of Community Planning 627
  Civic "Kits" 120

Civil Service (see also Officers):
  Civil Service—Order Barring Political Activity by Civil Service Employees Upheld 296
  Discharge or Suspension of Employees—Preference of Veterans 728
  Does the Probst Rating System Rate?
    I. No 581
    II. Yes 583
  Substituting Precision for Guesswork in Personnel Efficiency Records 143

Cleveland:
  Cleveland Abandons Manager Plan 685
  Cleveland Deserts the Manager Plan . . 739
  Cleveland Municipal Electric Light Plant Problem 675
  Cleveland Politicians Restless Under Manager Plan 567
  Cleveland's Municipal Light Plant—Success or Failure? 436
  Cleveland to Vote on Abolition of Manager Government—Hopkins Candidate for Council 618
  Economics and Politics of Cleveland's Municipal Light Plant 413
  Low Fare Zone Experiment Being Made in Cleveland 177
  Political Sabotage of the Cleveland Municipal Light Plant 334

Colorado:
  Bureau of Business and Governmental Research, University of Colorado 53
  Colorado River Aqueduct Assured 678

Committee on Uniform Street Sanitation Records Makes Second Installation . . 483
Comparative Tax Rates of 290 Cities, 1931 703
Conduct of City Officers in Elections 685
Continuing the County Reorganization Movement in Ohio 679

Contracts:
  Contracts—Emergency Powers of Municipality 44
  —Estoppel of City to Deny Rights Existing in Property Acquired by Purchase 103
  —Requirement of Competitive Bidding as Applied to Services Rendered by a Corporation 662
  County Attempts to Go on the Air.—Power of County to Advertise—Contract with Broadcasting Company Held in Conflict with State Constitution 725
  Municipal Contracting—Limitations on Employment—Local Regulations Affecting Competitive Bidding 723

Corruption:
  Municipal Corruption—New York in Particular 183

Cost of County Government in California 312

County Government and Consolidation:
  California Commission on County Home Rule Makes Its Report 241
  Continuing the County Reorganization Movement in Ohio 679
  Cost of County Government in California 312
  County Consolidation in Georgia 434
  County Government Reform Considered in Texas 120
  County-Municipal Segregation Plan for New Jersey 584
  County Platting Regulations Adopted . 62
  County Reorganization Blocked in Ohio Legislature 446
  Delaware Executive Raps County Government 119
  Items in N. M. L. Program Being Considered by State Legislatures 69
  Novel Argument for Division of St. Louis County (Minn.) Fails in Legislature 387
  Year 1930 in the History of Virginia Counties 197

County Managers and County Manager Government:
  Arlington County Adopts the Manager Plan 127
  County Managers 243

Courts:
- An Administrative Court for Belgium.. 305
- How Magistrates' Courts Defile Justice 573
- Special Courts for Administrative Cases 691

Covington, Kentucky:
- City Manager in Kentucky.......... 133

Delaware:
- Delaware Executive Raps County Government.......... 119
- Taxpayers' Research League of Delaware.......... 380

Denmark:
- Another Phase of the War on Tuberculosis.......... 377
- Building Control in Europe.......... 735

Des Moines Bureau of Municipal Research..........53, 381

Detroit:
- A. C. A.'s Annual Traveling Meeting to be in Detroit Region..........619, 682
- Detroit Bureau of Governmental Research.......... 54
- Detroit Feeds Its Hungry.......... 402
- Detroit Substitutes Wages for Doles... 677
- Detroit Voters Show Discriminating Judgment.......... 741
- Financial Difficulties of Detroit Street Railway.......... 178
- Mechanical Devices Simplifying Detroit's Clerical Problems.......... 384
- Michigan Rejects Detroit's Claim for Legislative Representation.......... 61

Developments in Municipal Ownership of Electric Light and Power.......... 430

District of Columbia:
- Federal Management of the Federal City 16
- Institute for Government Research, Washington, D. C..........58, 552

Do Business Men Want Good Government?.......... 31

Does the Probst Rating System Rate?
- I. No.......... 581
- II. Yes.......... 583

Dublin's City Manager.......... 64

Duluth, Minnesota:
- Taxpayers' League of St. Louis County 382

Economics and Politics of Cleveland's Municipal Light Plant.......... 413

Education:
- Buffalo Public School Survey.......... 457
- Schools an Issue in St. Paul Election... 310
- Schools and School Districts—Extent of Power to Prescribe Qualifications of Teachers.......... 166

Elections and Voting:
- American Citizenship and Australian Election Methods.......... 90
- Conduct of City Officers in Elections... 685
- Detroit Voters Show Discriminating Judgment.......... 741
- Election Irregularities in Utica, New York.......... 385
- Fruits of Seattle's Recall Election.......... 680
- German Electoral Reform.......... 669
- Items in N. M. L. Program Being Considered by State Legislatures.......... 69
- Oregon's Recent Experience With a Party Convention.......... 148
- Oregon Voters Defeat State Administrative Reorganization, But—.......... 646
- Pennsylvania Moves to Modernize Election Code.......... 206
- Pittsburgh Primary a Defeat for Mayor Kline's Gang.......... 619
- Proposed Change in Wisconsin Primary Law.......... 177
- Schools an Issue in St. Paul Election.... 310.
- Socialists Lose Control in Reading, Pa. 743
- Trouble with Voting Machines in Pittsburgh.......... 740
- Victory for Independents in Pittsburgh 742
- Voting Machines Give Satisfaction..... 1
- Voting Machines Give Satisfaction in Philadelphia's Mayoralty Election... 740
- Voting Machines in the Last Election.. 685

Elective Utility Commissions.......... 124

Eminent Domain:
- Eminent Domain—Incidental Profits from Resale of Lands Condemned for a Public Improvement.......... 228
  - —Public Purpose.......... 296
  - —Statute Limiting Compensation.... 370
  - —Trade Fixtures as Real Property under Condemnation Statutes..... 542

European Tour to Study Housing.......... 244

Excess Condemnation Defeated in Missouri 62

Executive Council Established in Wisconsin.......... 479

Extends Hope for a Quiet City.......... 313

Extraordinary Personnel of New York Power Authority.......... 317

Fall River, Massachusetts:
- Financial Dictatorship for Fall River.. 201

Fate of C. M.-P. R. Bills in Pennsylvania 432

Federal Management of the Federal City 16

Finance—General:
- American Cities and the Business Depression 630
- Brain Muddle in Chicago 518
- Excess Condemnation Defeated in Missouri 62
- Financial Dictatorship for Fall River 201
- Financial Difficulties of Detroit Street Railway 178
- Irregularities in Custody of State Funds in Missouri 74
- Local Finance in Italy 112
- Municipal Expenditures.—Judicial Control 368
- North Carolina Strengthens State Control over Local Finance 317
- North Carolina Widens State Control over Local Finance and Highways 243
- Pooling a Region's Credit—Consolidation of Municipal Borrowing Powers on a Regional Scale 86
- Prefects for German Cities? 236
- Profit and Loss Under Public Ownership 376
- Proposal for French Financial Reform 733
- U. S. Chamber Considers Cuts in Public Expenditures 743

Finance—Bonds and Debts:
- Bonded Debt of 257 Cities as at January 1, 1931 349
- Citizens' Committee Supervises Expenditure of St. Louis Bond Issue 694
- Indebtedness—Constitutional Limitations—Circumvention by Purchase under Contract to Lease 663
- —Constitutional Limitations—Evasion by Purchase under Conditional Sales Contract 604
- —Recovery upon Bonds Issued to Pay for Improvements where the Officers are Directly Interested 663
- —Refunding Bonds—Effect of Constitutional Limitations 102
- —Limitations—Emergency exception of Charter Includes Borrowing to Relieve Unemployment 227
- —Unsold Bonds May Not be Used as Collateral without Express Statutory Authority 298
- Kansas City Approves Improvement Program 430
- Kansas City's Improvement Program Under Way 555
- Municipal Debt Limits and the Financing of Publicly Owned Utilities 460
- New Jersey's Proposal for Municipal Receiverships 312
- Philadelphia's Dangerous Deficit 679

Finance—Budgets:
- Budgetary Developments in Los Angeles 481
- Some Notable State Budget Documents of 1931 325
- Los Angeles Budget Director Defends Executive Budget 743

Finance—Taxation:
- Comparative Tax Rates of 290 Cities, 1931 703
- Comparative Tax Tables, Correction of Errors in 116
- Missouri Adopts Progressive Income Tax Law 432
- Municipal Bonds—Profits on Sales Not Exempt from Federal Taxation 101
- Ohio Abandons the General Property Tax 480
- Probabilities of Tax Revision in Present Session of Ohio Legislature 314
- Reduced Costs the Key to Reduced Municipal Taxes 263
- Taxation—Exemption of Buildings Under Construction 229
- Tax Investigations in Twenty-Six States 523
- Tax Problem in Michigan 555
- Tax Reform in Tennessee 136
- Teaneck Under the Manager Plan Cuts Taxes Ten Per Cent 449
- Why Not a Tax Disarmament Conference? 78

Fire Protection:
- Volunteer Firemen's School 314

First Installation in Brunswick, Georgia, Made by the Committee on Uniform Street Sanitation Records 383

First Unit of New York's Elevated Highway Opened 60

Flint's First Six Months of Manager Government 189

Four Years of Socialism in Reading, Pennsylvania 281

France:
- Another Phase of the War on Tuberculosis 377
- Building Control in Europe 735
- Notes from France and Germany 61
- Paris Anti-Noise Ordinance 616

  - Proposal for French Financial Reform . 733
- Fruits of Seattle's Recall Election 680

- Gems of Gubernatorial Wisdom 393
- General Laws—Application of Constitutional Provision Disannexation of Agricultural Lands 607

Georgia:
  - County Consolidation in Georgia 434
  - Georgia Consolidates Its Administration 681
  - Reorganization of the State Government of Georgia 117
  - Rotten Boroughs in Georgia 395

Germany:
  - Another Phase of the War on Tuberculosis 377
  - Berlin's New Government 397
  - Building Control in Europe 735
  - Correction from Berlin 378
  - Expenditures for Social Welfare in Germany 670
  - German Electoral Reform 669
  - Gesamtstädt Krefeld-Uerdingen 49
  - Gesundheit der Städtetag! 111
  - Municipal Science Institute of the University of Berlin 139
  - New Rôle for German Municipal League 614
  - Notes from France and Germany 61
  - Prefects for German Cities? 236
  - Public Servants in Great Britain and Germany 173
  - Trolley Buses in Germany 111
- Governor's Suspension Power over Local Officials Nullified 480
- Grand Rapids Scrip-Labor Plan for Unemployment Relief 677

Great Britain:
  - Another Phase of the War on Tuberculosis 377
  - British Institute of Public Administration 671
  - British Mayors 588
  - City and Port of Manchester 734
  - Conduct of City Officers in Elections 685
  - English Universities and the Local Services 109
  - London's Progress in Slum Abatement II. Difficulties, Procedure and Results 18
  - 1930 British Drainage Act 48
  - Profit and Loss Under Public Ownership, 1929–30 376
  - Public Servants in Great Britain and Germany 173
  - Municipal Passenger Transport in England 235
  - "Safety First" Results in British Isles 174
  - Slum Abolition in Great Britain 390
  - Southampton Civic Survey 181

Greece:
  - Building Control in Europe 735

- "Hampy" Moore to be Philadelphia's Next Mayor 618
- Hard Winter for Pasadena Civic Groups 311
- Hawaii Bureau of Governmental Research 429

Health:
  - Another Phase of the War on Tuberculosis 377
- Highest State Court Sustains 5-Cent Fare for New York 509

Home Rule:
  - California Commission on County Home Rule Makes Its Report 241
  - Home Rule—Delimitation of "Municipal Affairs" 104
  - Home Rule for Chilean Cities 110
  - Home Rule—Powers of Ohio Cities Held Not to be Limited by Charter Provisions 229
  - Notice in Tort Actions.—Home Rule—City Denied Power to Prescribe Limitation upon Civil Actions 726

Housing:
  - European Tour to Study Housing 244
  - Housing for the Poor 65
  - London's Progress in Slum Abatement II. Difficulties, Procedure and Results 18
  - Mr. Gove Replies to Mr. Newman 116
  - Municipal Aid to Housing Projects—Home Rule Powers of New Jersey Cities 607
  - Municipal Housing.—Purchase of an Apartment House as an Investment . 727
  - New York Regional Plan Warns Against Subsidized Housing 179
  - New York's Model Housing Code 27
  - Slum Abolition in Great Britain 390
- How Big Is a Metropolitan Area? 623
- How Boston Feeds Its Hungry from Tax Funds 635
- How Far Have We Come and Where Do We Go From Here? 7
- How Indianapolis Combines Poor Relief With Public Work 513
- How Magistrates' Courts Defile Justice 573
- How Rochester Manages Its Real Estate 454

How the Radio Aids Police Work....... 267
How the Teletype Aids New Jersey Police Work........................ 192
How to Avoid Blights by Motor Highways 2

Illinois:
Zoning Appeals Board Illegal in Illinois 508
Important California Cities Adopt C.-M. Plan.......................... 435

India:
Municipal Affairs in India............ 650

Indianapolis:
Civic Affairs Department, Indianapolis Chamber of Commerce...........54, 673
How Indianapolis Combines Poor Relief With Public Work................. 513
International Institute of Administrative Sciences......................... 547

Irish Free State:
County Managers................... 243
Dublin's City Manager.............. 64
Motor Parking in Belfast............. 615
Will P. R. Survive in Ireland?........ 246
Irregularities in Custody of State Funds in Missouri......................... 74

Italy:
Another Phase of the War on Tuberculosis............................ 377
Building Control in Europe........... 735
Local Finance in Italy............... 112
Items in N. M. L. Program Being Considered by State Legislatures.......... 69

Jamestown, New York:
Developments in Municipal Ownership of Electric Light and Power........ 430
Mayor Urges Novel City Manager Plan 313
Jubilee in Chicago.................... 321

Kansas City, Kansas:
Bureau of Governmental Research, Kansas City, Kansas, Chamber of Commerce.....................55, 176

Kansas City, Missouri:
Kansas City Approves Improvement Program........................ 430
Kansas City Public Service Institute..55, 428
Kansas City's Improvement Program Under Way....................... 555

Kenosha, Wisconsin:
Committee on Uniform Street Sanitation Records Makes Second Installation.. 483

Kentucky:
City Manager in Kentucky........... 133
Municipal League Movement in Kentucky........................... 180

Leagues of Municipalities:
Municipal League Movement in Kentucky........................... 180
New Rôle for the German Municipal League.......................... 614
Wyoming Organizes League of Municipalities......................... 244

Lee County, Virginia:
Governor's Suspension Power over Local Officials Nullified................. 480
Les Entreprises Mixtes................. 638

Lexington, Kentucky:
City Manager in Kentucky........... 133
London's Progress in Slum Abatement
II. Difficulties, Procedure and Results.. 18

Los Angeles:
Budgetary Developments in Los Angeles 481
Bureau of Budget and Efficiency, City of Los Angeles..................... 56
Consider the Case of Los Angeles..... 729
Los Angeles Budget Director Defends Executive Budget................. 743
Los Angeles Bureau of Municipal Research.......................... 382
New Governmental Administration Group Formed in Los Angeles....... 379
Public Ownership Conference at Los Angeles......................... 666
Recall Movement Against Mayor Porter of Los Angeles................... 742
Speakers' Club of Los Angeles Organized 484

Louisville, Kentucky:
City Managers Hold Successful Convention at Louisville................. 676
Low Fare Zone Experiment Being Made in Cleveland....................... 177

Madras, India:
Municipal Affairs in India........... 650

Maine:
Administrative Reorganization in Maine 131
Maine's Administrative Code......... 511
Massachusetts Billboard Cases.......... 465

Mayors:
British Mayors....................... 588
"Hampy" Moore to be Philadelphia's Next Mayor...................... 618
Mayor Cermak's Possibilities......... 315

- Mayor Urges Novel City Manager Plan 313
- Pittsburgh Primary a Defeat for Mayor Kline's Gang.................... 619
- Recall Movement Against Mayor Porter of Los Angeles.................. 742
- What Should We Demand of Our Mayors?......................... 64
- Springfield's (Missouri) Mayor in Difficulty........................... 118

Mechanical Devices Simplifying Detroit's Clerical Problems................ 384

Mercer County, New Jersey:
- Value of Community Planning....... 627

Metropolitan Government:
- Amendment to Complete City-County Consolidation in Philadelphia....... 123
- Atlanta's Growing Pains.—The New Municipality of Atlanta—An Experiment in Regional Government...... 724
- Berlin's New Government............ 697
- Gesemtstädt Krefeld-Uerdingen....... 49
- How Big is a Metropolitan Area?...... 623
- Metropolitan Boston Bill before Legislature.......................... 386
- Modified City-County Consolidation... 386
- Montreal Metropolitan Commission Pools Region's Credit.............. 186
- Pooling A Region's Credit—Consolidation of Municipal Borrowing Powers on a Regional Scale.................. 86
- Regionalism—A New Approach to the Good Life...................... 592
- San Francisco Approves Plan for Consolidation with San Mateo County .. 256

Michigan:
- Michigan Rejects Detroit's Claim for Legislative Representation......... 61
- Tax Problem in Michigan............ 555

Milwaukee Citizens' Bureau.......56, 429, 674

Mississippi:
- Research Commission of the State of Mississippi...................... 554

Missouri:
- Excess Condemnation Defeated in Missouri.......................... 62
- Irregularities in Custody of State Funds in Missouri...................... 74
- Missouri Adopts Progressive Income Tax Law........................ 432
- Missouri Provides for Highway Patrol.. 388
- Missouri Voters Reject Metropolitan Amendment—No Federated City for the St. Louis Region for the Present 12

Mr. Gove Replies to Mr. Newman....... 116
Modernistic Civic Center for Richmond, California....................... 251
Modified City-County Consolidation..... 386
Montreal Metropolitan Commission Pools Region's Credit.................. 186
More Water for Southern California...... 441
Municipal Affairs in India.............. 650
Municipal Aid for the Unemployed...... 277
Municipal Corruption—New York in Particular......................... 183
Municipal Debt Limits and the Financing of Publicly Owned Utilities......... 460
Municipal League Movement in Kentucky 180
Municipal Prisons No Credit to America 484
Municipal Science Institute of the University of Berlin.................. 139

National Conference on Rural Government 434
National Institute of Public Administration....................56, 239, 429, 674
National Municipal Association Organized in China....................... 620

National Municipal League:
- How Far Have We Come and Where Do We Go From Here?................ 7
- Items in N. M. L. Program Being Considered by State Legislatures....... 69
- Report on Activities and Accomplishments of National Municipal League. 745

Nebraska:
- Public Power and the People of Nebraska 271

Need for Fairness in Zoning............ 185
New Bedford Taxpayers' Association...429, 674

New Jersey:
- How the Teletype Aids New Jersey Police Work...................... 192
- County-Municipal Segregation Plan Proposed for New Jersey........... 584
- New Jersey Municipalities Appears in New Form...................... 554
- New Jersey's Proposal for Municipal Receiverships.................... 312
- Reduced Costs the Key to Reduced Municipal Taxes.................. 263

New Mexico Taxpayers' Association.......176, 309, 552

Newport, Kentucky:
- City Manager in Kentucky........... 133

New State Purchasing Department Will Save $400,000 in First Four Months.. 554
New Style in Speed Limits............. 122

New York City:
- Extends Hope for a Quiet City........ 313
- First Unit of New York's Elevated Highway Opened..................... 60
- Highest State Court Sustains 5-Cent Fare for New York................ 509
- Housing for the Poor................ 65
- Mr. Gove Replies to Mr. Newman..... 116
- Municipal Corruption—New York in Particular....................... 183
- New York City Moves Toward Transit Unification...................... 316
- New York Regional Plan Warns Against Subsidized Housing................ 179
- New York's Model Housing Code..... 27
- Progress in New York City Transit Reorganization.................... 106
- Service Charge and Its Developments in New York...................... 543

New York State:
- Extraordinary Personnel of New York Power Authority................. 317
- Haphazard Commutation Rates....... 610
- Mr. Gove Replies to Mr. Newman..... 116
- New York's Model Housing Code...... 27
- New York State Tax Commission Fellowship Awarded for 1931–32....... 682
- Official Backing for Billboard Control in New York...................... 680
- St. Lawrence Power Development..... 168
- Training Schools for Municipal Officials in New York................... 596
- Training Schools Under New York State Conference of Mayors.............. 119
- Two Training Schools for New York Municipal Officials................ 314

Noise:
- Extends Hope for a Quiet City........ 313
- Paris Anti-Noise Ordinance........... 616
- Quieting the City's Bedlam........... 304

North Carolina:
- New State Purchasing Department Will Save $400,000 in First Four Months. 554
- North Carolina Moves Toward Greater Centralization................... 386
- North Carolina's New Plan for Controlling Local Fiscal Affairs............ 328
- North Carolina Strengthens State Control over Local Finance............ 317
- North Carolina Widens State Control over Local Finance and Highways... 243
- State Centralization in North Carolina 527
- State Reorganization in North Carolina 482

Notes from France and Germany........ 61

Novel Argument for Division of St. Louis County (Minn.) Fails in Legislature 387

Nuisance—Pollution of Tidal Waters by New York City................. 541

Oakland, California:
- Important California Cities Adopt C.-M. Plan............................ 435
- Three California Cities.............. 242
- Three California Cities Considering Adoption of Novel Charters........ 186

Obsolete Local Governments—At Home and Abroad....................... 569

Officers:
- Conduct of City Officers in Elections... 685
- Officers and Agents—Power of County Commissioners in Oklahoma to Employ an Attorney................. 664
- Officers—Removal for Cause—Limitations upon Governor's Power in Virginia........................... 539
- Public Servants in Great Britain and Germany......................... 173

Official Backing for Billboard Control in New York...................... 680

Ohio:
- Attack on Ohio Administrative Code Repulsed......................... 383
- Continuing the County Reorganization Movement in Ohio................ 679
- County Reorganization Blocked by Ohio Legislature...................... 446
- Ohio Abandons the General Property Tax............................ 480
- Ohio Institute....................... 382
- Probabilities of Tax Revision in Present Session of Ohio Legislature......... 314
- "Rotten Borough" Representation in Ohio............................ 82

Oklahoma:
- Bureau of Municipal Research, University of Oklahoma.................. 55

Optional P. R.-Manager Bills in the Pennsylvania Legislature........... 179

Oregon's Recent Experience With a Party Convention...................... 148

Oregon Voters Defeat State Administrative Reorganization, But—............. 646

Parks and Playgrounds—Liability for Maintenance of Nuisance........... 540

Pasadena, California:
- Hard Winter for Pasadena Civic Groups 311

Pennsylvania:
Fate of C. M.-P. R. Bills in Pennsylvania........ 432
Optional P. R.-Manager Bills in the Pennsylvania Legislature........ 179
Pennsylvania Conference of Teachers of Political Science........ 388
Pennsylvania Moves to Modernize Election Code........ 206
Pennsylvania's New Water Supply District Law........ 680

Philadelphia:
Amendment to Complete City-County Consolidation in Philadelphia........ 123
"Hampy" Moore to be Philadelphia's Next Mayor........ 618
How Magistrates' Courts Defile Justice 573
Optional P. R.-Manager Bills in the Pennsylvania Legislature........ 179
Philadelphia Bureau of Municipal Research........57, 114, 239
Philadelphia's Dangerous Deficit........ 679
Thomas Skelton Harrison Foundation.. 551
Voting Machines Give Satisfaction in Philadelphia's Mayoralty Election... 740

Pittsburgh:
Pittsburgh Plan for Citizenship Training 120
Pittsburgh Primary a Defeat for Mayor Kline's Gang........ 619
Pittsburgh's City Administration Undergoing Repairs........ 398
Trouble with Voting Machines in Pittsburgh........ 740
Victory for Independents in Pittsburgh 742

Plea for the Regulation of the Power Industry........ 641

Police:
Chicago Police Problems........ 247
How the Radio Aids Police Work........ 267
How the Teletype Aids New Jersey Police Work........ 192
Regional Police Coördination........ 246

Political Sabotage of the Cleveland Municipal Light Plant........ 334
Politics and Seattle's Municipal Light System........ 407
Pooling A Region's Credit—Consolidation of Municipal Borrowing Powers on a Regional Scale........ 86

Police Power:
Police Power of Cities—Review of Recent State Decisions by the Supreme Court of the United States........ 662
Police Power—Ordinances Vesting Discretionary Power in Local Legislative Bodies........ 165
—Regulation of Gambling in Nevada... 664
—Regulation of the Production and Sale of Ice........ 297
—Traffic Regulations—Right of Accused to Trial by Jury........ 104
Street Franchises—Extent of Regulation under the Police Power........ 45

Powers:
Powers—Construction of the Term "Maintenance" of Structures........ 371
—Expenditure of Money to Advertise Municipality........ 542
—Extension of Implied Powers of Counties........ 606
—Lease of Park Property........ 297
—Ordinance of District of Columbia Requiring a Bond for the Operation of a Taxicab Held Invalid........ 230
—Portraits of Soldiers as Equipment of a Memorial Building........ 296

Prisons:
Municipal Prisons No Credit to America 484

Probabilities of Tax Revision in Present Session of Ohio Legislature........ 314

Proportional Representation:
Fate of C. M.-P. R. Bills in Pennsylvania 432
Optional P. R.-Manager Bills in the Pennsylvania Legislature........ 179
Will P. R. Survive in Ireland? 246

Proposed Change in Wisconsin Primary Law........ 177
Public Administration Clearing House Begins Operation........ 119

Publicity (see Radio):
Appraising Municipal Reports........ 24

Public Ownership and Operation:
Colorado River Aqueduct Assured........ 678
Consider the Case of Los Angeles........ 729
Developments in Municipal Ownership of Electric Light and Power........ 430
Distribution Costs, Public Operation and Reproduction Costs—A Concrete Case 424
Economics and Politics of Cleveland's Municipal Light Plant........ 413
Les Entreprises Mixtes........ 638
More Water for Southern California.... 441
Municipal Debt Limits and the Financing of Publicly Owned Utilities........ 460
Pennsylvania's New Water Supply District Law........ 680

- Plea for the Regulation of the Power Industry........ 641
- Political Sabotage of the Cleveland Municipal Light Plant........ 334
- Politics and Seattle's Municipal Light System........ 407
- Profit and Loss Under Public Ownership, 1929–30........ 376
- Public Ownership Conference at Los Angeles........ 666
- Washington's Public Ownership District Power Law........ 342

Public Power and the People of Nebraska 271

Public Utilities—General (see also Public Ownership):
- Elective Utility Commissions........ 124
- Extraordinary Personnel of New York Power Authority........ 317
- Muscle Shoals and the President's Veto 231
- Pennsylvania Investigates Public Utility Regulation........ 372
- Progress in New York City Transit Reorganization........ 106
- Public Power and the People of Nebraska 271
- St. Lawrence Power Development..... 168

Public Utilities—Rates and Regulations:
- Are Electric Distribution Costs Excessive?........ 300
- Cleveland Municipal Electric Light Plant Problem........ 675
- Control of State Commission over Rates of Municipally Owned Public Utilities 608
- Developments in Municipal Ownership of Electric Light and Power........ 430
- Distribution Costs, Public Operation and Reproduction Costs—A Concrete Case 424
- Haphazard Commutation Rates........ 610
- Highest State Court Sustains 5-Cent Fare for New York........ 509
- Increase in Freight Rates Urged by the Railroads........ 611
- Low Fare Zone Experiment Being Made in Cleveland........ 177
- Service Charge and Its Development in New York........ 543
- South Carolina Investigates Electric Rates........ 613

Public Welfare:
- Chicago's Poor Relief Machinery Stands the Test........ 689
- Detroit Feeds Its Hungry........ 402
- Detroit Substitutes Wages for Doles... 677
- Expenditures for Social Welfare in Germany........ 670
- Grand Rapids Scrip-Labor Plan for Unemployment Relief........ 677
- How Boston Feeds Its Hungry From Tax Funds........ 635
- How Indianapolis Combines Poor Relief With Public Work........ 513
- Municipal Aid for the Unemployed.... 277

Public Works:
- 1930 British Drainage Act........ 48

Qualities of a Good City Manager........ 64

Radio:
- How the Radio Aids Police Work...... 267

Reading, Pennsylvania:
- Four Years of Socialism in Reading, Pa. 281
- Socialists Lose Control in Reading, Pa... 743

Real Estate:
- How Rochester Manages Its Real Estate........ 454

Recall Movement Against Mayor Porter of Los Angeles........ 742

Reduced Costs the Key to Reduced Municipal Taxes........ 263

Regionalism—A New Approach to the Good Life........ 592

Regional Police Coördination........ 246

Remedies:
- Remedies—Effect of Contributory Negligence of Officer Discharging a Governmental Function........ 370
- Taxpayer's Action—Recovery of Reasonable Attorney's Fees........ 369

Reorganization of the State Government of Georgia........ 117

Report on Activities and Accomplishments of National Municipal League....... 745

Research Commission of the State of Mississippi........ 554

Richmond, California:
- Modernistic Civic Center for Richmond, California........ 251

Rochester, New York:
- How Rochester Manages Its Real Estate 454

"Rotten Borough" Representation in Ohio........ 82

Rotten Boroughs in Georgia........ 395

"Safety-First" Results in British Isles..... 174

St. Louis County, Minnesota:
- Novel Argument for Division of St.

- Louis County (Minn.) Fails in Legislature 387

St. Louis, Missouri:
- Citizens' Committee Supervises Expenditure of St. Louis Bond Issue 694
- Missouri Voters Reject Metropolitan Amendment—No Federated City for the St. Louis Region for the Present 12

St. Paul, Minnesota:
- Schools an Issue in St. Paul Election 310

San Diego, California:
- Important California Cities Adopt C.-M. Plan 435
- Three California Cities 242
- Three California Cities Considering Adoption of Novel Charters 186

San Francisco:
- San Francisco Adopts a New Charter 259
- San Francisco Approves Plan for Consolidation with San Mateo County 256
- Three California Cities 242
- Three California Cities Considering Adoption of Novel Charters 186

San Mateo County, California:
- San Francisco Approves Plan for Consolidation with San Mateo County 256

Schenectady Bureau of Municipal Research 57, 114, 176, 240, 309, 552, 738

Schools an Issue in St. Paul Election 310

Seattle, Washington:
- Fruits of Seattle's Recall Election 680
- Politics and Seattle's Municipal Light System 407

Series of Municipal Exhibits 244

Slum Abolition in Great Britain 390

Socialists Lose Control in Reading, Pa. 743

Some Additional Bits of Wisdom Gleaned from Speeches at Cleveland Convention 4

Some Notable State Budget Documents of 1931 325

South America:
- Another Phase of the War on Tuberculosis 377
- "Conclusiones" 50
- Home Rule for Chilean Cities 110

Southampton Civic Survey 181

South Carolina Investigates Electric Rates 613

Speakers' Club of Los Angeles Organized 484

Special Assessments:
- Excess Condemnation.—Street Widening—Exchange of Lands—Effect of Excess Condemnation upon Special Assessments of Adjoining Property 727
- Home Rule—Special Assessments—Local Improvement Guaranty Fund 369
- Special Assessment Debt Limited in California 434
- Special Assessment Liens—Effect of Sale of Lands for General Taxes 298
- Special Assessments—Ad Valorem Taxes for Public Improvement not Based on Special Benefits 166
- —Recovery of Money Paid Under an Invalid Levy 368
- —Recovery of Payments Made Under an Illegal Tax 102

Special Courts for Public Utility Cases 691

Springfield's (Missouri) Mayor in Difficulty 118

Stamford (Conn.) Taxpayers' Association 58, 552, 738

Standards of Play and Recreation Administration 485

State Government (see also names of individual states):
- American Governors Since 1915 152
- Attack on Ohio Administrative Code Repulsed 383
- Items in N. M. L. Program Being Considered by State Legislatures 69
- North Carolina Moves Toward Greater Centralization 386
- North Carolina's New Plan for Controlling Local Fiscal Affairs 328
- Reorganization of the State Government of Georgia 117
- Some Notable State Budget Documents of 1931 325
- State Centralization in North Carolina 527
- State Reorganization in North Carolina 482

Street Railways in Foreign Cities 210

Streets and Highways:
- Parking of Cars at Street Curb—Right of Abutting Owners 605
- Streets and Highways—City Cannot Bind Itself to Retain Street Names 101
- —City Plan—Action by Property Owners Outside the City Limits to Enjoin Vacation of City Street Giving Access to Their Property 46
- —Condemnation of the Fee for Highway Purposes 541
- —Damages for Change of Grade 229
- —Effect of Condemnation of Fee for Highway Purposes Upon Abutter's Rights 104

—Effect of Safety Zone Markers upon the City's Liability for Defective Streets 665
—Encroachments—Municipal Art Jury 370
Streets—Regulation of Traffic—Ordinance Requiring Auto-renting Agencies to Insure Their Cars 227
Substituting Precision for Guesswork in Personnel Efficiency Records 143
Summary of 1931 State Purchasing Legislation 431
Superfluous Local Governments 2

Sweden:
Stockholm Statistical Bureau 172

Switzerland:
Another Phase of the War on Tuberculosis 377
Quieting the City's Bedlam 304

Tax Investigations in Twenty-Six States . . . 523
Taxpayers Support Too Many Layers of Local Government 507
Tax Problem in Michigan 555
Tax Reform in Tennessee 136
Teaneck Under Manager Plan Cuts Taxes Ten Per Cent 449

Tennessee:
Tax Reform in Tennessee 136

Texas:
County Government Reform Considered in Texas 120
Theory and Practice in Building Lines Under Eminent Domain 557
There's Life in the Small Town Yet 622
Three California Cities 242
Three California Cities Considering Adoption of Novel Charters 186

Toledo, Ohio:
How the Radio Aids Police Work 267
Two Manager Plans Before Toledo Voters 618
Unique Function of Toledo Publicity and Efficiency Commission 568
Toronto Bureau of Municipal Research 58

Torts:
Torts—Effect of Assumption of the Control of Highways by the State Upon Local Liability 608
—Liability for Negligence in Care of a School Auditorium 665
—Liability for Negligence in the Care of Parks and Playgrounds 298
—Liability of City in Admiralty 370
—Notice of Injury as Prerequisite to Right of Action 608
—Pollution of Public Waters by Sewage—Distinction Between Tidal and Non-tidal Waters 103
—Statutory Liability for Injury by Fire Trucks 102
—Statutory Liability of School Districts 166
—Statutory Notice Before Action for Damages 45
To Study the Federal Service as a Career 389

Traffic:
First Unit of New York's Elevated Highway Opened 60
Missouri Provides for Highway Patrol 388
Motor Parking in Belfast 615
Voluntary Zoning of Rural Highways . . . 248
Training for Government at the University of Southern California 433
Training Schools for Municipal Officials in New York 596
Training Schools Under New York State Conference of Mayors 119

Transit:
Chicago Council Authorizes First Step Towards a New Subway 118
Financial Difficulties of Detroit Street Railway 178
Municipal Passenger Transport in England 235
New York City Moves Toward Transit Unification 316
Progress in New York City Transit Reorganization 106
Street Railways in Foreign Cities 210
Trolley Buses in Germany 111
Trouble with Voting Machines in Pittsburgh 740
Two Manager Plans Before Toledo Voters 618
Two Training Schools for New York Municipal Officials 314

Unique Function of Toledo Publicity and Efficiency Commission 568
U. S. Chamber Considers Cuts in Public Expenditures 743

Utica, New York:
Election Irregularities in Utica, New York 385

Value of Community Planning.......... 627
Victory for Independents in Pittsburgh.... 742

Virginia:
  Virginia Bureau of Public Administration.......... 674
  Year 1930 in the History of Virginia Counties.......... 197
Voluntary Zoning of Rural Highways.... 248
Volunteer Firemen's School.......... 314

Voting Machines:
  Trouble with Voting Machines in Pittsburgh.......... 740
  Voting Machines Give Satisfaction..... 1
  Voting Machines Give Satisfaction in Philadelphia's Mayoralty Election.... 740
  Voting Machines in the Last Election... 685

Washington's Public Ownership District Power Law.......... 342
What Should We Demand of Our Mayors? 64
Why Not a Tax Disarmament Conference? 78

Wilkes-Barre, Pennsylvania:
  Taxpayers' Association of Wyoming Valley, Wilkes-Barre, Pa.......... 59
Will P. R. Survive in Ireland?.......... 246

Wisconsin:
  Executive Council Established in Wisconsin.......... 479
  Proposed Change in Wisconsin Primary Law.......... 177
  Wisconsin Asks "How Good Is Your Town?".......... 577

Wyandotte, Michigan:
  Developments in Municipal Ownership of Electric Light and Power.......... 430
Wyoming Organizes League of Municipalities.......... 244

Year 1930 in the History of Virginia Counties.......... 197

Zoning:
  Need for Fairness in Zoning.......... 185
  Power of Zoning Boards of Appeals to Grant Variations.......... 537
  Voluntary Zoning of Rural Highways... 248
  Zoning Appeals Board Illegal in Illinois 508
  Zoning—Los Angeles Ordinance Depriving Owners of Land in Outlying Districts of Right to Drill for Oil...... 228
  —Necessity for Definite Standards in Imposing Restrictions Upon the Character or Use of Property.......... 539
  —Recent Decisions of the New York Court of Appeals Defining the Limits of the Power to Restrict the Use of Property by Zoning.......... 660
  —Right to Continue Non-conforming Use in Restricted Districts.......... 167
  —Teaching of Music a Profession...... 299
Zoning Ordinances—Effect on Existing Restrictions.......... 167
Zoning Statutes—Mandatory Provisions 44
Zoning Waivers—Requirement of Consents of Property Owners to Validate a Non-conforming Use.......... 725

NATIONAL MUNICIPAL REVIEW

JANUARY + 1931

How Far Have We Come and Where Do We Go From Here?
• • • CHARLES E. MERRIAM

Missouri Voters Reject Metropolitan Amendment—No Federated City for the St. Louis Region for the Present
• • • MARTIN L. FAUST

Federal Management of the Federal City
• • • FREDERICK A. FENNING

London's Progress in Slum Abatement: II. Difficulties, Procedure and Results
• • • E. M. DENCE

Appraising Municipal Reports
• • • CLARENCE E. RIDLEY

New York's Model Housing Code
• • • BERNARD J. NEWMAN

Do Business Men Want Good Government?
• • • MARSHALL E. DIMOCK

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CONTENTS

EDITORIAL COMMENT .... *H. W. Dodds* 1
HEADLINES .... *Howard P. Jones* 5
HOW FAR HAVE WE COME AND WHERE DO WE GO FROM HERE? .... *Charles E. Merriam*... 7
MISSOURI VOTERS REJECT METROPOLITAN AMENDMENT—NO FEDERATED CITY FOR THE ST. LOUIS REGION FOR THE PRESENT .... *Martin L. Faust*..... 12
FEDERAL MANAGEMENT OF THE FEDERAL CITY ...... *Frederick A. Fenning* 16
LONDON'S PROGRESS IN SLUM ABATEMENT:
II. DIFFICULTIES, PROCEDURE AND RESULTS.... *E. M. Dence* 18
APPRAISING MUNICIPAL REPORTS .... *Clarence E. Ridley*.... 24
NEW YORK'S MODEL HOUSING CODE .... *Bernard J. Newman*.. 27
DO BUSINESS MEN WANT GOOD GOVERNMENT?.... *Marshall E. Dimock*.. 31
REPORT ON WORK OF THE NATIONAL MUNICIPAL LEAGUE—A SUPPLEMENT .... *Russell Forbes*
INDEX FOR 1930 TO NATIONAL MUNICIPAL REVIEW—A SUPPLEMENT

DEPARTMENTS

I. Recent Books Reviewed 38
II. Judicial Decisions .... *Edited by C. W. Tooke* 44
III. Municipal Activities Abroad .... *Edited by Rowland A. Egger* 48
IV. Governmental Research Association Notes .... *Edited by Russell Forbes* 52
V. Notes and Events .... *Edited by H. W. Dodds* 60

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THE LEAGUE'S BUSINESS

Annual Report on League's Work.—The Secretary's report on the work of the League for the year ending October 31, 1930, is included as a supplement in this issue of the REVIEW. We hope that every member will read it. This report shows substantial progress in the face of grave financial difficulties. During the year, more than 15,000 copies of the League's publications were distributed; five important supplements appeared with the REVIEW; two books were published; one new campaign booklet was issued; and three pamphlets were reprinted.

Included in the publications of the year were three committee reports. The *Model County Manager Law*, published in August, has already been adopted in principle in one county, and is being considered as the basis for legislation in fifteen other counties. The *Model Election Administration System*, published in September, was in demand while still in manuscript and since publication has been used as the guide for legislation on election reform in several states. The report of the Committee on Metropolitan Government, published as *The Government of Metropolitan Areas*, is the first authoritative discussion of the subject based on thorough research.

During the year, twenty cities have adopted the manager plan swelling the total to 442 in the United States and Canada. In 106 cities campaigns for the adoption of the plan were initiated or advanced during the year. In practically all of these, the League's publications have been used as educational literature.

Five important committees are now at work and others will likely soon be appointed. During the past year, 800 new members were secured, bringing the total membership to almost 2,500.

Additional copies of the report may be secured from the League office and we shall gladly send copies to any list of prospective members which may be submitted by any of our friends.

New Reference Book on County Manager Government.—The H. W. Wilson Company, New York City, publishers of the *Readers' Guide*, Debaters' Handbooks etc., has just issued a reference book for debaters on the subject: "Resolved, that the county manager plan is the best form of county government." About three-fourths of the contents of this volume is reprinted from League publications. On the affirmative side, Richard S. Childs, Howard P. Jones, Paul W. Wager, Rowland A. Egger, Herbert Quick, and Helen M. Rocca are quoted as authorities; Kirk H. Porter and Wylie Kilpatrick bear the burden of the negative. In addition the volume contains copious general references, briefs and bibliographies on both sides of the question, and the League's *Model County Manager Law* as an appendix.

This book is a valuable reference volume for any student of county government.

Meeting of Council and Officers.—Richard S. Childs, president, and Carl H. Pforzheimer, treasurer, have called a meeting of the council and officers at Princeton Inn, Princeton, New Jersey, on January 24 and 25. The primary purpose of the meeting will be consideration of ways and means for increasing the League's usefulness and for formulating its future work program. The secretary will be glad to receive from any member suggestions for the agenda of this meeting.

RUSSELL FORBES, *Secretary.*

NATIONAL MUNICIPAL REVIEW

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EDITORIAL COMMENT

According to a dispatch to the *United States Daily*, the village of Penn Yan, New York, will give all consumers of electricity from its municipally-owned electric plant a Christmas present of the electric current consumed in December. This gift, it is stated, follows closely upon a substantial reduction in rates introduced by the village officers on December 1.

◆

C. A. Harrell, city manager of Portsmouth, Ohio, has sent a letter to all the organizations of the city advising them that city officials are available to speak on municipal topics. The list includes fourteen speakers, from the mayor down. Organizations may choose from a list of twenty-five topics the one which they wish to hear discussed.

◆

Voting Machines Give Satisfaction

Reports from the counties in Pennsylvania which used voting machines for the first time at the last election indicate general satisfaction with their operation. The *Scranton Republican* goes on record as follows:

> Lackawanna being the only county completely equipped with machines, we enjoyed the distinction of wiring returns to distant parts of the state long before the votes commenced to be counted elsewhere. The ease and cleanliness of conduct of the election and the prompt handling of returns and quick determination of the results here should supply the rest of the state with so good an example . . . that the whole state should be supplied with this device by next fall.

The *Chester Times*, speaking for Delaware county, reported:

> Success of the vote machines was no surprise to the supporters of the innovation. . . . The mechanism proved easy to understand; a rush of voters was easily accommodated, and the election boards were freed from the tiresome count after the last voter had registered his choice. . . . Let us hope there will be no further delay in a 100 per cent installation in the county.

We are fond of saying that this is a mechanical age, and so it is. Even politicians are beginning to succumb to it.

◆

Atlanta's Charter Changes

As described by Miss Raoul in the last number of the REVIEW, Atlanta is passing through a period of graft exposures which have already resulted in the indictment and conviction of several old-time office holders. Naturally, one would suppose, such disturbances would result in a demand for radical charter changes, especially when the present form of government is so patently obsolete as that of Atlanta. Nevertheless, the charter amendments voted on last month and accepted by the people will accomplish little in modernizing Atlanta's political structure. The general council will now consist of eighteen (twelve councilmen, elected two from each of six wards, and six aldermen elected at large) instead of thirty-nine (twenty-six councilmen from thirteen wards and thirteen aldermen). The common council and the aldermen will continue to act as one body except when voting appropriations. On such matters the common council acts first and the aldermen concur or nonconcur at a separate session.

A more significant change approved by the voters would appear to be the transfer to department heads of increased authority and administrative functions formerly vested in committees of council.

*

How to Avoid Blights by Motor Highways

Are great motor highways going to blight residential areas just as the railroads have done in the past? At first it was thought that under many circumstances new motor express routes in undeveloped districts would attract residential development along their boundaries. Now we see that their margins are lined by billboards, vacant lots and remnants of old buildings, while high-grade development moves farther back in search of seclusion.

But motor highways have also raised difficulties for residential areas in the hearts of our cities, according to Abram Garfield, speaking before the Ohio State Conference on City Planning last November. Mr. Garfield pointed out that, in Chicago, Michigan Boulevard north of the river increased the value of abutting property eight or nine hundred per cent, but that Michigan Avenue south and certain parts of the Loop lost enough to reduce the total community gain from the improvement to a point at which it was no longer an astonishing figure. The motor highway is a constant drain on the vitality of the district through which it passes, continued Mr. Garfield. It draws the stronger elements into its current and away, either downtown or out towards the country. The remaining vacuum is filled by a weaker element with a decreased ability to take part in community growth.

Mr. Garfield suggests a cure. He correctly says that our cities cannot wait until belts in process of deterioration have become crowded with tenements. Turn such areas, he advises, into parks and open spaces, not necessarily to give more air and light, because in many of our cities there are plenty of these today. No, develop parks for the reason that we have a large population that cannot afford to move to the country and if we leave less space for them in the city and make it more attractive by parks and open spaces, such people will live better lives and the land they occupy will be worth more.

Mr. Garfield's appeal is to the pocketbook of the landowners of the city. Not large parks but many parks are suggested. Something must be done whenever a new highway is opened. Take the land which would normally degenerate into slums and spot numerous small parks throughout it before it is too late. Does it not seem reasonable, concludes Mr. Garfield, that the property around these open spaces will be more desirable, that the land will pay higher returns, than if left to deteriorate in the normal course of events?

*

Superfluous Local Governments

"What chance has the small rural community to attain high standards of living?" inquires C. J. Galpin of the Bureau of Agricultural Economics in a radio address before the

American Country Life Association. "No chance," replies Mr. Galpin, "just none at all."

"From the community point of view — that is, from the point of view of providing for its farm families all the institutions, facilities, and opportunities for education, health, recreation, fire protection, information, religious instruction and the like, which modern communities now provide their citizens —the small farm community is doomed, and doomed on account of its smallness," continues Mr. Galpin. "Nor is there any other reason for this doom than that the community is too small. It has too few a number of families in it. It has too little an area of land and property within its boundaries. This is the bare, bald fact without glossing the matter over. A small community pinches its children, as a tight shoe pinches the foot. A small community today is decidedly grotesque, too, like a tiny hat on a big man."

Even two hundred farms and two hundred farm families, believes Mr. Galpin, are too small for a modern community. There are not people enough or property enough to maintain community services of a high standard. Mr. Galpin estimates that a community of one thousand rural families is necessary to provide a property basis for modern community enterprise. The present small communities must be consolidated until at least one thousand families are banded together with their combined population and tax-producing wealth to maintain and support schools, libraries, parks, playgrounds, churches, fire companies and the like.

Mr. Galpin advises the farmers to go to their legislatures and get state laws which will enable them to have political communities of at least one thousand families. Consolidation of school districts is good as far as it goes, but it is not sufficient. The idea must be extended to all local governmental functions in general.

While Mr. Galpin thinks of services, others emphasize savings. Thus Judge Arthur J. Lacy, chairman of the property owners division of the National Association of Real Estate Boards, declares that the township is a vestigial organ of the body politic. It must be abolished. Although of small geographic area, the township supports its full quota of officials and departments. Often it is unable to do so from its own taxes and it must draw on state revenue for assistance. Judge Lacy declares that the abolition of townships is, therefore, of interest to the urban property owner who has to pay state taxes to help operate the outworn machine.

Many would not stop with the abolition or consolidation of townships, but would extend the idea to counties as well. Both Governor Smith and Governor Roosevelt have repeatedly recommended the consolidation of small counties in New York. Recently two Tennessee counties consolidated with resultant economy in expenditures, sufficient, it is reported, to reduce taxes 50 per cent. Professor Leland of the University of Chicago believes that the attempt to maintain local governments where a taxable capacity is lacking results in little net gain to those governed. Political units of this type soon degenerate, he says, yet their existence is often unnecessarily prolonged by doles from the state.

It thus appears that the demands for economy plus the needs for adequate service unite against the continued existence of small units of government. Similar considerations apply to metropolitan areas with a multiplicity of municipal units contributing to governmental and financial chaos.

What is coming, despite protests of

politicians, is a new definition of local political boundary lines. In the last twenty-five years the neighborhood has greatly expanded in area. Not so long ago the township or the country village comprised a community more or less self-sufficient. Today it is no more trouble for a farmer to visit a friend in a distant county than it was twenty-five years ago for him to hitch up the bay mare and drive to town for the mail.

As yet we are only partly conscious of the social effects of modern methods of communication. Our social horizons have broadened. Our minds can now comprehend a neighborhood of vastly larger area than our grandfathers' thoughts could encompass, but it still remains to adapt our political institutions to the changed situation.

Both Mr. Galpin and Judge Lacy are right. Certain public services can only be supplied economically on a relatively large scale. Similarly it is often impossible to finance them equitably except by taxation systems available only to large territories. From every point of view a revolution in local government boundaries appears to be germinating.

The home rule argument is as valid as ever. The only difference is that the spiritual, social and economical neighborhood to which the home rule argument applies has become a region and not a locality.

◆

Some Additional Bits of Wisdom Gleaned from Speeches at Cleveland Convention

C. E. Rightor called attention to our obligation towards the next generation with respect to the collection and preservation of a record of current governmental facts. Greater care, he said, should be taken to compile statistics. We owe something to the statistician of tomorrow, and his services may be of great benefit to his fellows.

Col. H. M. Waite, speaking at the luncheon session on Monday on the "Growth of the City Manager Movement," recalled the first meeting of the city managers sixteen years ago in Springfield, Ohio. There were eight city managers present when the City Managers' Association was born. This Association started with eighteen members, one of whom was already an ex-city manager. Today there are more than 430 city manager cities.

◆

William P. Lovett of Detroit, a seasoned civic campaigner, believes that a clear objective is the first essential in building a successful program of political reform. It is better to have one object in view at a time rather than many, said Mr. Lovett. Most spasms of reform fail because the group of reformers have so many things to do that they fail to accomplish definitely any single thing.

◆

The street railways of the United States can be saved by improved and refined service only, according to the experts on the Cleveland program. More comfortable and less ugly cars, less noise, greater speed, a desire to please on the part of the management, are some of the elements which will preserve street railways from destruction at the hands of the motor car.

◆

Public salary schedules, asserted Robert M. Goodrich in describing the causes for increased public expenditures, result in the underpayment of those in the executive capacity and the overpayment of workers in the subordinate service. The fact that the number of subordinate positions greatly exceeds those requiring training and high qualifications means that the cost to the taxpayer has been greatly increased over and above actual necessity.

HEADLINES

Duplication between city and county governments is coming in for much attention these days when every dollar is trying to go twice as far as formerly. The latest is from Youngstown, Ohio, home of a peculiar type of hybrid government, where Finance Director James E. Jones declares that "the time is not far distant when the public will demand that city and county offices be combined in order to reduce operating expenses."

* * *

The city manager plan is being hailed as the Moses to lead the people of Philadelphia out of a political Egypt. Since the mayor, whose keen weather eye told him some time ago which way the wind was blowing, has endorsed the plan, the magazine, *Commerce and Industry*, has come out flatfootedly, saying that what Philadelphia needs is a "business manager, not a political manager or a stuffed shirt." Soon the whole chorus will be in harmony.

* * *

The Oklahoma legislature wouldn't pass legislation permitting counties to adopt the manager plan two years ago. Now a bill may be introduced requiring counties to adopt this form of government.

* * *

Abolition of the office of county treasurer and periodical inspection of county financial records by the County Government Advisory Commission are among recommendations to be presented by the North Carolina State Association of County Commissioners to the legislature this month.

* * *

More than 11,000 persons are being interviewed in Cleveland in an attempt to put the non-voter under the microscope and find out what's wrong with him. The Citizens' League is sponsoring the study.

* * *

Re-vamping of the election laws of Pennsylvania is recommended to Governor Gifford Pinchot and the 1931 legislature by the Pennsylvania Election Law Reforms Conference. Seven separate bills and six constitutional amendments are included in the program.

* * *

Drastic reorganization of the state government of Georgia, cutting the number of departments from 108 to 17, is recommended in the report of Searle, Miller & Co. to Governor Hardman.

* * *

A bill to lift the limitation on the size of the municipality which may vote to adopt the city manager form of government will be presented to the Illinois legislature this month. The present law permits its adoption in communities of less than 5000 population. Chicagoans are holding their thumbs.

* * *

An effort to abolish townships in Lake County, Minnesota, failed at the fall election. Next time, if any, they'll try it at a special election.

Proceedings to collect $250,900 in delinquent taxes from large property owners are to be started shortly by City Attorney Charles E. Retzlaff of East Detroit, Michigan. This method is almost unique in tax annals.

* * *

As a result of an appeal made by the Mayors' Conference to the Governor, the New York State Public Service Commission will assist any municipality requesting aid to determine the equitableness of street lighting rates proposed by public utilities or investigate to determine whether or not a municipality is getting the street lighting service it contracted for.

* * *

What a citizens' organization can accomplish when it is on the job fighting corruption is illustrated by the Taxpayers' Association of Wyoming Valley, Pennsylvania, which discovered so much to holler about that a grand jury found 27 true bills against county commissioners, various employees and contractors.

* * *

Davidson County, North Carolina, which had such success with the county manager plan and then abandoned it, returned to the plan December first.

* * *

Several states are expected to consider the question of departmental reorganization at the 1931 meeting of the legislatures. Among them are Maine, Oregon, Arkansas, and Georgia.

* * *

Centralization of executive responsibility in the governor through the establishment of a small number of administrative departments under his control and direction, is recommended for the state government of Maine by the National Institute of Public Administration. Nine major departments were suggested as follows: (1) executive, (2) finance, (3) health and welfare, (4) agriculture, (5) highways, (6) corporations, (7) conservation, (8) labor, and (9) education.

* * *

A public utility which sells gas and electric appliances in its different places of business in several towns is subject to a chain store tax despite the fact that it pays a franchise tax for the privilege of doing business, according to an opinion by attorney general Dennis G. Brummitt of North Carolina.

* * *

The city of Los Angeles has the power to purchase five towns in Inyo County, California, as a part of the city's water development program, according to a decision of the state supreme court.

* * *

Eighteen cities adopted the manager plan during the year 1930. They are: Oakland and Ventura, California; Wilmette, Illinois; Arkansas City, Kansas; Covington, Lexington, and Newport, Kentucky; Teaneck, New Jersey; Mamaroneck, New York; Bedford, Ohio; Cleveland, Shawnee, Oklahoma; Phoenixville, Pennsylvania; Borger and Dallas, Texas; Fort Atkinson, Wisconsin; Dublin and Dun Loaghaire, Ireland.

HOWARD P. JONES.

HOW FAR HAVE WE COME AND WHERE DO WE GO FROM HERE?

BY CHARLES E. MERRIAM

The University of Chicago

The stenographic report of Professor Merriam's brilliant address at the Cleveland Convention. Professor Merriam believes in the city. He discovers that cities have progressed in the last quarter century and he is optimistic about the future. :: :: :: :: :: ::

I HAVE been assigned the topic covering a period of fifty years in something like twenty-five minutes, twenty-five years back and twenty-five years ahead, and you will pardon me, therefore, if I omit some of the points that you regard as particularly important.

Looking back twenty-five years, the American cities have advanced in many directions. They have stood still in some and they have gone back in others.

CONDITIONS HAVE BEEN UNFAVORABLE TO MUNICIPAL PROGRESS

If we look at the basic conditions, especially during the last fifteen years, it is quite clear that they have not been favorable at all to municipal advance. The Great War distracted attention from municipal problems and focused attention across the water. What was a municipal graft scandal in comparison to a series of great battles, such as the Argonne, in which hundreds of thousands perished and nations' resources were burned up like bonfires? Our local freebooters were given almost a free license, also letters of marque and reprisal, while the war was going on.

Following the war came a period of depression and reaction from the tense moments of a high state of patriotism.

Those who made their sacrifices came back, if they came back, and said, "Now we will look after ourselves." They reacted. They let down and a period of municipal corruption came, the like of which was not known except in the period following the Civil War.

Now at the same time, the passage of the Eighteenth Amendment suddenly precipitated problems of the very gravest nature for the government of American municipalities. Fabulous illicit revenues were opened through the contraband liquor traffic and organizations were built up with enormous power, far beyond the wildest dreams of Tweed and the earlier underworld authorities.

Or again, from the physical point of view, in the cities the motorization of traffic upset the plans of cities and compelled fundamental reorganization of many of its basic features, not only in the matter of the relation of vehicular traffic in the reorganization of city planning, but also in the matter of combating crime under more mobile conditions.

Finally the widespread prosperity diverted attention from the financial burden of government, which in many cases seemed unimportant when compared with the rising incomes of men who were making fortunes on the stock market. What matter whether the tax rate was $50 more or $500, if you made $5,000 or $500,000? All the pleas of the efficiency experts about the wasting of the tax fell on deaf ears. What does it matter?

A BRIGHTER SIDE TO THE PICTURE

But for all that, in the last twenty-five years my analysis of the situation indicates the following points:

The American city has learned in the last quarter of a century to substitute mastery for drift in dealing with the physical plan of the community. City planning and city zoning have made a conquest of the municipal imagination. Cities a quarter of a century ago were growing haphazardly, but they are now mostly planned in orderly fashion, an almost incredible change in public attitude and policy. The new viewpoint has come to stay.

But on the other hand, cities have lost heavily by the growth of metropolitan or extra-urban areas. In the earlier times, cities absorbed the outlying population very quickly by the process of annexation; but with the rise of suburban transportation and the development of motorization, in an era of high economic prosperity, this tendency failed. In the last fifteen years cities no longer annex the population as rapidly as they did, and what we now find is that great cities are built up outside the city. In my city of Chicago we have about 3,200,000 in Chicago and about 800,000 Chicagoans outside of Chicago. Many of those are the intellectual leaders who otherwise would be part of the political community.

In the second place, public administration has made notable advances in American cities during the last twenty-five years. The spoils system has fought a stubborn but losing battle, and the lines of expert administration have advanced, not steadily but in a zig-zag and cyclical fashion. The most striking evidence of this is the adoption of the city manager system in 400 cities, but almost equally notable is the development of professional standards in city service. The impressive feature in the city administration in the United States is not the persistence of the spoilsmen, for they are still to be found, but the appearance of the recognized technician alongside of them.

The spoils system in the broader sense, including graft as well as patronage, would have been driven still farther back but for the distraction caused by the War and by the Eighteenth Amendment.

A particular example of advance in public administration is the health departments of cities, which show a striking advance in recent years. Their professional and technical standards and practices have made surprising improvements, reflecting the extraordinary progress in medical science. Even in the most corrupt cities the health department has generally been allowed to go forward with relatively little obstruction. Great, amazing strides have been made, especially in dealing with diseases like typhoid and tuberculosis, and in dealing most particularly of all with infant mortality, said by somebody to be the index of civilization.

Again, the park and recreation policy of American cities has also been a field of notable advance. The small park, the playground, the bathing beach, the extra-urban outer-belt system, and the amusement facilities provided in these areas mark a revolutionary change in municipal attitude and policy. Parks are no longer a private preserve, expressing the genius of some landscape architect, but are public playgrounds and recreation centers in the literal sense of the term.

The school systems of our cities, if you call them local and they really are local in their developments, have made enormous strides in the last quarter of a century. The emergence of the American high school alone is a matter of world significance, a unique development in the history of democratic education, the deeper meaning of which we perhaps hardly catch. Our schools have developed not only in numbers and length of time and thoroughness of instruction, but in scope and methods and from top to bottom. There has been politics in the schools, but there has been progress also in the schools.

A notable feature in the development of American cities is the advancement of scientific interest in municipal affairs. This is reflected in the organization of bureaus of municipal research all over the United States, and in the central organization of these bureaus themselves, members of which organization are meeting here today.

A LOOK AHEAD

And now if we attempt to look forward for a quarter of a century, the task is one of greater difficulty. All we can do is project the more obvious trends into the future, assuming that what is happening continues to fall with the same force and direction; and coloring our trends a little perhaps with some wishful thinking.

If I am asked to start with, "What physical form will the city take in the next twenty-five years?" my answer is, "I do not know." Skyscrapers, scraping still higher, or garden pancake cities? Who can say, or better, who can know? That is one of the great, unsolved problems which lie before us.

It seems clear, however, that:

1. The coming city will more nearly include the metropolitan area than at present.

There will be developments either by annexation or by federation or by coöperation or by functional reorganization in some manner, so as to prevent these great areas of satellite cities or parasite cities on the outside, some way of bringing them into the organic life of the social and industrial community of which they are really an integral part.

2. The city will approach more nearly equal representation in the state legislature.

The day of rural dominance in the city is disappearing. The characteristic thing is that it is here, but it is tending to disappear.

3. There is likely to be some experimentation with city states.

You will perhaps not agree with me on this. There will be the City of New York, City of Chicago, City of Philadelphia, and the State of New York, State of Chicago, State of Philadelphia, State of Boston, State of Minneapolis. Other kinds of states will crop up.

I was very much interested, in studying in Germany this summer, to observe not only the ancient cities of Hamburg and Bremen, which are cities and states, but the states of Hamburg and Bremen. When I was in Hamburg I didn't know whether I was in the City of Hamburg or the State of Hamburg, and whether I was dealing in the legislature with the city or the state. It is all one city and one state. Hamburg has been getting along very well, thank you, for several hundreds of years. Berlin is demanding membership in the Statehood of Germany. Frankfort and Cologne are demanding membership. If I were going to make a guess on the future of the German development, which would be hazardous, there will be more than two city states in the next thirty years. I think you will see some also in the United States.

4. The cities will be much more closely organized than at

present and more effective in their political demands.

If the cities of the United States were combined they could get almost anything they wanted, and perhaps more than they ought to have, but if the cities of any state stood together, they could get what they are entitled to have.

I observed again in Germany a stately edifice, impressive in external appearance, housing the German city parliament, made up of the larger cities of Germany, headed by a distinguished man, Dr. Mueller. He has a staff of sixty men organized for the interchange of information and experience. They can send out telegrams. They can call over the telephone. They have all the municipal experts in Germany to tell them what is the trouble and what to do. The city parliament has gone so far that a part of their platform demands representation in the senate of Germany. I wouldn't be surprised to see them get it. They have everything else they want.

"He is," you may say, "speculating." Well, that is what you got me for, since you asked me, "Where do you go from here?" All I could do was make my best guess.

SPOILS SYSTEM DOOMED

The spoils system is not dead, but it is dying faster than most persons realize, and the next twenty-five years will see it well on the way to destruction in the urban communities. Two of my colleagues, Dr. White, who wrote on the city manager, and Dr. Harris, who wrote on registration, traveled all over the United States. Dr. Hatton has done the same thing. These gentlemen will all tell you that the boss system in the cities is dying. In the next twenty-five years all the old bosses will be in the political museum. Maybe not in the Chicago Fair of 1933, but a little later they will be there with their armor on.

The political intelligence of the coming city in the next twenty-five years will be better organized than at present. Women and business and labor will sit in the city council of the future city. They are not there now. Women are not there, and business is not there, and labor is not there, but the politicians are there and they represent neither women nor business nor labor. Possibly science will be able to get one seat in the coming city parliament, and technicians and engineers will do administrative work rather than shifting groups of spoilsmen. The continuing complexity of governmental work on the one hand and the continuing specialization of labor on the other are bringing this about almost automatically. Department by department is succumbing to training and technical ability. The department where you are going to see the greatest progress is now where you see the least hope, namely, in the police department, which in my judgment within ten or fifteen years will make tremendous strides ahead.

SOCIAL ADVANCEMENT PROBABLE

Present indications are that the coming city in twenty-five years will advance along ways of social planning, as it has in the field of physical planning in the last twenty-five years. This planning will tend to a broader program of public welfare work. It will tend to a program of unemployment. It is tending to that now. I don't need to predict that. That is one thing I am sure of. It will broaden the housing plan of cities. It will develop more spacious plans for use of leisure time.

It seems to me not unreasonable in view of what is now developing that the city will make, as one of its fundamentals, a housing program guaranteeing decent living conditions to every man, woman and child within its borders. If you want to relieve unemployment, you might tear down the slums and build decent habitations.

It is reasonable to expect that the city will have a recreation program based on the theory that the city is a place in which to live as well as to transact business. The condition is now contrary to fact, as we used to say in Latin.

It is within the bounds of reason to expect that the city of the next quarter of a century will have a health program based on the right of every person to reasonable care of his physical condition.

Perhaps it may be denied that education is a local function, but in view of the fact that schools really are local in development one may predict that the coming city will have an educational program far more advanced than the present, and that civic education will be included as the indispensable part of every man's training. By that I mean not merely civic information and information regarding dates and places and names; but that civic education will include civic interest and civic attitude and civic judgment and discernment and civic skill, enabling the future citizen to handle himself in a real world of shifting situations. The millions that are spent on education are spent in vain if they do not include within that education a semblance of civic obligation and ability in civic judgment and the possession of a certain amount of civic skill appropriate to democratic communities.

Will there be crime in the coming city? Yes, but crime prevention will be more important than crime repression. The time to deal with crime, it will be discovered, is before it occurs and not after. When crime is strong enough, as it is in some places, to organize against the organization called government, there is something rotten in Denmark. Then the need is not merely to scan the law books and set up the gallows, but to search our own greedy interests and greedy attitudes, our own unwise laws.

Far be it from me to underestimate the difficulties that beset the way of our municipalities during the next quarter of a century, or to assume an air of naïve optimism, fondly trusting that all will be well. I may have added a little hope to the trends I have observed in city affairs, for I am frank to say that those who expect nothing get nothing.

NEED FOR PERSISTENT EFFORT WILL CONTINUE

The progress of the last twenty-five years was won, and the progress of the next will be won, only by intelligent, well-directed and persistent effort on the part of many men and women, most of them unknown and unrecognized. The city was and will be one of the great loyalties of their lives and they have given and will gladly give what they could and can to build a greater life for a greater community. No shrine will ever be erected to these unknown soldiers of civic warfare, and their reward was and will be the sense of contribution to the common good. And it will not be otherwise in the next twenty-five years.

There are those who believe and say that nothing good can come from the modern city, and who foresee nothing but graft and more spoils and more demagogues, drifting mobs, and low level standards of attainment. Such persons can produce many facts to support the arguments.

We do not know that they are not right, but we hope they are wrong.

For as the city goes, the nation goes. More than one-half of our population is now living in cities and in another twenty-five years, probably two-thirds will be in cities. If the cities cannot govern themselves, the nation, made up of cities, will not be able to govern itself. Urban standards, urban practices, urban leaders, and urban ideals will determine the position and policy of the United States twenty-five years from now. And if these fail, America fails, and if America fails, democracy fails.

The smoke and stench still hang heavily over the battle field, but some of us think we see victory turning to the side of the urban community. Some of us see patterns of beauty and power arising in the urban centers, and strong men stepping forward to take their places in the leadership of the nation—Seasongoods, Roosevelts, Mitchells, and Devers, and Hoans and Couzens, intelligent, unterrified, competent leaders of mighty cities, worthy keepers of the destinies of great states.

MISSOURI VOTERS REJECT METROPOLITAN AMENDMENT

NO FEDERATED CITY FOR THE ST. LOUIS REGION FOR THE PRESENT

BY MARTIN L. FAUST
University of Missouri

Politicians both within the city of St. Louis and without unite to defeat progress. :: :: :: :: :: :: :: ::

MISSOURI voters at the recent November election defeated by a decisive vote the proposed constitutional amendment authorizing the plan of a federated city for the consolidation of St. Louis City and St. Louis County. The proposition received a favorable vote of 218,381 and a "No" vote of 375,718. Seven amendments were submitted at this election, and all of them were rejected by a decisive vote. The merger amendment, however, fared better than most of them, since it lost by a smaller margin than all the others except one. It was the only amendment to pass in St. Louis, and it received a larger vote in St. Louis County than any other amendment. The total vote on the amendment was approximately 60 per cent of the high vote of 1,014,593 cast on candidates for state offices at this same election. An attitude of indifference and a disposition to vote against all proposed changes are not unusual characteristics of Missouri elections where initiative and referendum proposals are involved.

In the NATIONAL MUNICIPAL REVIEW of June, 1930, Dean Loeb of Washington University discussed the background of the recent merger movement and the method of procedure followed in the formulation of the amendment. At that writing, however, the amendment had not assumed final shape, so that a review of some of the features of the amendment may be of interest here.

GREATER ST. LOUIS

The enabling amendment proposed first of all the consolidation of the city of St. Louis and the county of St. Louis to form a new political unit to be known as Greater St. Louis. The amendment required, furthermore, that the charter setting up the new government must provide for the continued existence under present laws and charters of the city of St. Louis and the cities, towns, and villages within St. Louis County; for the incorporation of all rural territory in St. Louis County into one or more county districts with the power to levy taxes with the consent of the voters; for the merging of two or more of the constituent municipalities, whenever three-fifths of the voters in each municipality affected gave their consent; for the adjustment of relations between the present county government and the constituent municipalities on the one hand and the Greater City on the other.

The amendment also contained a number of optional or permissive provisions. The charter might include a provision establishing a form of government for the Greater City; provisions relating to the registration of voters, nominating methods, and the conduct of municipal elections; regulations concerning the assessment of property, the levying and collection of taxes; the transfer to the Greater City of any power or duties possessed by the present county, or by any city, town, village, sewer district, drainage district, or levee district within the territorial limits of the Greater City; authority to establish a metropolitan police force separate from the local police forces; the power to create special districts for the maintenance of special services; the power to acquire property, to exercise the right of eminent domain, and to levy special assessments.

ST. LOUIS COUNTY NOT ANNIHILATED

The amendment did not contemplate the complete annihilation of St. Louis County. It was to continue for certain purposes, but not as a separate taxing unit. The powers and duties of the county court (similar to the county commissioners or board of supervisors in other states), of the office of county clerk, treasurer, assessor, tax collector, and engineer were to be taken over by the Greater City. Existing state laws, however, were to continue to apply both to St. Louis City and St. Louis County, respectively, in such matters as agriculture, education, representation in the state legislature, state highways, and the courts; also, in the case of such offices as prosecuting attorney, sheriff, coroner, public administrator, recorder of deeds, county surveyor, and county superintendent of schools. Permission was granted to reorganize the minor courts within the county area. For the support of the county offices retained, the Greater City was authorized to levy a tax within the county.

FINANCES—CHARTER

As is invariably true in campaigns involving merger proposals, the attack centers upon the financial provisions. The amendment continued the present taxing and bonding powers of the municipal subdivisions, and conferred similar powers on the Greater City. But the latter could not exceed an annual levy of 60 cents on the 100 dollars valuation, except with the consent of a majority of the voters, when the limit could be extended to 100 cents. For the city of St. Louis, the amendment specified a tax limit of 105 cents, which limit might be increased to 135 cents with the consent of the voters. The debt limit of the Greater City was placed at 5 per cent of the value of the taxable property, and public utility and special assessment bonds were excluded from this limit.

The proposed amendment did not regulate the manner in which the charter was to be drafted; it provided simply that the text of a charter might be submitted by initiative petitions signed by the voters of the city and county equal in each case to eight per cent of the total votes cast for supreme court judge at the last election in each area. This unofficial and somewhat informal procedure for the drafting of the charter was subjected to criticism during the campaign. Approval was to be by a majority vote in the city and a majority vote in the county, the two to vote separately on the charter. The proposed amendment specifically repealed the amendment adopted in 1924 under which the consolidation charter of 1926 had been submitted and rejected.

THE CAMPAIGN

Some of the incidents of the campaign for the merger amendment may be of interest. "Save St. Louis County" was the slogan adopted by the Save St. Louis County League, an organization fathered by the four St. Louis County circuit judges. "Missouri County Threatened with Destruction!" was the caption used on the handbills circulated throughout the state. The League formed an alliance with the County Farm Bureau and the State Grange, and thus was able to propagandize effectively against the amendment among the rural voters of Missouri.

The circuit judges had issued a formal statement as early as June in which they outlined their reasons for opposing the amendment. Their criticisms later became the line of attack adopted by the League and the other opposing forces. They condemned the amendment on the ground that it was "a dangerous experiment in municipal government," which would certainly result in "distressing litigation and unsettled business conditions in both the city and the county"; that it created a crisis, "because it confers power to deprive our people of the last vestige of local self-government"; that it failed adequately to protect the minority—the residents of the county; that it authorized "an increase in taxes in St. Louis County and the cities in the county of at least 100 per cent"; that it provided a "supergovernment," and placed in the fundamental law of the state a "wholly unworkable scheme." Identical resolutions adopted by the Republican and Democratic committees of St. Louis County echoed the arguments of the judges, and made a plea to "preserve the county from destruction."

ST. LOUIS OFFICIALS IN OPPOSITION

But the opposition among the politicians was not confined entirely to those of the county. In a statement issued early in October, the board of estimate and apportionment of St. Louis—a fiscal body made up of the mayor, the comptroller, and the president of the board of aldermen—asserted that the advantages of the proposed merger would, in their judgment, be outweighed by the burden placed upon St. Louis taxpayers. Coming from the governing heads of the city, this statement created quite a stir in the campaign. The incident had added significance, in that these officials, particularly the mayor, had taken an active part in the movement leading to the formulation of the plan. But a change of heart among the local politicians was not unusual during the later stages of the campaign, for several of the suburban mayors early active in behalf of the amendment reversed themselves, and fled to the camp of the opposition.

The most powerful groups behind the amendment were the St. Louis County Chamber of Commerce and the St. Louis City Chamber of Commerce. These two organizations initiated the movement and assumed the leadership in the campaign. Several of the suburban municipalities, particularly those close to St. Louis, gave strong support. For example, the mayor and board of aldermen of University City, the largest of the suburbs, worked incessantly for the amendment. The two outstanding metropolitan newspapers, the *Globe-Democrat* and the *Post-Dispatch*, gave the amendment full publicity and editorial support, although the former was considerably more aggressive in its support than the latter.

The advocates of the amendment stressed the benefits to be derived from the creation of a government with adequate powers to provide for the common needs and the common interests of the region. They gave special emphasis to the solution of such regional problems as sewage disposal, water supply, major highways, adequate police protection, outer park facilities, unified planning, uniform traffic regulations, proper health protection, and unified administration of hospitals and correctional institutions. Constant emphasis was given to the argument that the plan would not result in any appreciable increase in taxes and would not deprive any municipality of its right of local self-government. The increased census rating for St. Louis and the flexibility of the amendment also figured prominently in the arguments of those who advocated the plan.

The defeat of the amendment leaves in the constitution the 1924 amendment. No charter can be submitted under this amendment oftener than once in five years. Since a charter was rejected in 1926, it might now be possible to submit a charter in 1931. This amendment authorizes a board of freeholders to draft one of three alternative schemes: consolidation of the city and county as a single municipality; re-inclusion of the city in the county, in which case it would extend its limits into the county; annexation to the city of part of the county. Any scheme adopted by the board must be submitted to the voters of the city and county at separate elections and requires a majority of the votes cast in each area.

FEDERAL MANAGEMENT OF THE FEDERAL CITY

BY FREDERICK A. FENNING

Former Commissioner of the District of Columbia

Mr. Fenning predicts less rather than more home rule for Washington's citizens. Congress is preparing to abolish the present form of district government. :: :: :: :: :: :: :: ::

THE house of representatives, in the closing days of the last session of congress, appointed a special committee to investigate the fiscal relations between the United States and the District of Columbia. The stir that this created was not merely local; it moved the White House to activity. The *Washington Post*, supporter of the administration, made the editorial comment that "The make-up of the committee indicates that Washington will need a friend during the discussions if a report at all fair or just is to be rendered." President Hoover summoned the three district commissioners to the Rapidan Camp for conference.

WHO WILL MANAGE THE CAPITAL CITY?

It is no hidden fact that the real issue goes far beyond the subject of fiscal relations. It is nothing less than the management of the Federal City. The responsibility for present management is carried by the district commissioners who are appointees of the chief executive. The authority in governing the city is exercised by the legislative branch of the government. So absolute is this control that a congressman when holding the position of chairman of the district committee is commonly referred to as the "Mayor of Washington."

The trend of legislation, in recent years, has been in the direction of federal control. Gradually, but steadily, congress has emphasized the national aspect of the seat of government. Local officials have been shorn of authority and their powers circumscribed.

The district government has been made subject to inquisitorial investigations of the United States bureau of efficiency; the United States civil service commission has been given authority over purely local appointments and promotions; the national capital park and planning commission determines all matters pertaining to the beautification of the district; the comptroller general of the United States audits all disbursements made from the district's own funds and has the power of disallowance; and the United States bureau of the budget must approve fiscal recommendations of the commissioners before they can be transmitted to congress. Not one of these governmental agencies was in existence in 1878 when the present form of district government was adopted. The authority of the United States civil service commission to certify eligibles for local positions was extended by executive order of November 18, 1930, and it was announced that no preference would be given local residents.

NATIONAL CONTRIBUTION PARED DOWN

Under the organic act of June 11, 1878, the United States obligated itself to pay one-half the expenses of the local government. This payment—

whether a contribution, a share, or by whatever term denominated—was in lieu of taxes. There was no special virtue in the proportionate feature of the half-and-half principle except that for more than forty years it appeared to be fair. It is true that occasionally during this period congress authorized and directed certain expenditures to be made entirely from district funds, and that by this method, in some years, the district's outlay exceeded that of the United States by as much as a quarter of a million dollars.

In 1920 congress began to pare down the national contribution. The district appropriation bill for that year provided that the district pay sixty per cent of its operating expenses, thus reducing the government's share to forty per cent. This necessitated an immediate increase in the local tax rate from $1.50 per $100 to $1.95, these figures based upon a two-thirds valuation. Subsequent changes have brought the rate to $1.70 per $100 on full valuation. A few years later, in 1924, congress again reduced the federal contribution to a lump sum of nine million dollars which was less than thirty per cent of the amount required for that year.

TAX EXEMPTIONS INCREASE

Last spring the district commissioners pointed out that large parcels of improved real estate were being transferred to the tax exempt status. These were the properties—having a value of not less than twenty-five million dollars—lately purchased by the government as sites for public buildings. It was contended that loss of taxes on this real estate would increase, very substantially, the tax burden on privately-owned property. The commissioners urged that, because Washington is the national capital, it is necessary that the fire and police departments be larger than in cities of corresponding population, that the parks should be more extensive, that highways must be kept in better condition, that a greater water supply is required. Congress responded by raising its contribution to nine and one-half million dollars, but this is less than twenty-one per cent of the amount covered by the appropriation bill.

The financial issue is clearly framed. The district complains that it is being forced to pay too large a share of operating expenses, while congress is of a contrary opinion. Between bodies of equal rank and position, the differences would be the subject of mutual adjustment. There is far from equality of parties, however, for one is the government of the United States, while the other is a mere municipality.

PRESENT FORM SOON TO PASS

From the time of the establishment of the seat of government at Washington to 1878 there were no less than five changes made by congress in the method of administering the business affairs of the municipality. The present plan has served more than fifty years. New laws, new methods and other changes of time have wrought its obsolescence. The time is fast approaching for a change which will mark the passing of this form of district government.

The handwriting on the wall stands out with increasing clarity. It is the writing of the men and women who comprise the national legislature, sent to Washington as the representatives of the citizenry of the whole country, and it spells federal management of the Federal City.

The United States, unless clear signs fail, will take over the management of the city which is the official home of the nation. Through some governmental agency the affairs of the District of

Columbia will be administered, as are the affairs of Alaska and other possessions of the United States. The full responsibility for the local administration of the seat of government will be assumed by the government.

LONDON'S PROGRESS IN SLUM ABATEMENT

II. DIFFICULTIES, PROCEDURE AND RESULTS

BY E. M. DENCE

Chairman, Housing Committee, London County Council

Two hundred and thirty-seven acres of slums cleared; 85,000 persons rehoused; plans under way to clear 100 acres and displace and rehouse 30,000 more; these are the statistics of accomplishment for London. :: :: :: :: :: :: :: :: :: ::

THE process of clearing unhealthy areas is beset with difficulties, and is both tedious and slow. The work involved in clearing an area of say eight acres containing some three hundred houses and some three thousand people would usually take about seven years to complete.

The main difficulties are:

(1) The process of acquiring property under compulsory powers. Every step taken must conform to the legal requirements contained in the Act of Parliament.

(2) The rehousing of the population in temporary accommodation pending the demolition of the condemned buildings.

(3) The dearth of rehousing sites in the county of London or sufficiently near to the county to meet the circumstances of the displaced population.

(4) The poor circumstances of the people who live in the areas to be cleared.

HOW AREAS ARE CONDEMNED

The compensation ordained by Parliament for insanitary property which is compulsorily acquired is based on a map prepared in the following manner. The area to be cleared is shown on plan within a black verge. Within this area all property which is deemed insanitary as defined in the act is marked red. If further land or property is required in order to provide an efficient development scheme such further land is colored blue, and the terms of compensation for this property is the full market value. With regard to the red or insanitary property much water flows beneath the bridges before the map in its final form is approved by the minister of health. The principal act in the proceedings is the public inquiry at which evidence is submitted before a government inspector by the medical experts and architects as to the insanitary nature of the property while the owners may submit evidence in their endeavor to prove the contrary. It is on the report of the government inspector that the minister bases his decision. These public inquiries are somewhat similar to a coroner's court, any and every person may be heard who can throw light on the subject. The inspector not only takes notes of every part of the evidence but he must himself visit the property and examine it minutely.

The terms of compensation for insanitary property are site value only and nothing is paid to the owner for the materials which stand thereon. Parliament has, moreover, further penalized owners of insanitary property by requiring them to pay some proportion of the cost of rehousing the people who are displaced from the insanitary houses. Such payment takes the form of a reduction from the site value which generally amounts to from twenty-five to fifty per cent of such value. These terms of compensation have been the subject of bitter complaint and of strong representation to Parliament by the property owners. The grounds of their complaint may be stated thus:

(1) That there are many degrees of badness in insanitary property.

(2) That some property is condemned not because it is inherently insanitary but because it is either sandwiched in between properties which are insanitary or which contribute to narrowness, closeness and bad arrangement or may abut on to a factory which has been built on the garden space which previously adjoined the houses.

(3) It is claimed that many owners have been obliged to spend considerable sums of money in repairing property on the summons of a municipal authority following upon which expenditure the property has been condemned as forming part of an insanitary area.

(4) That after confiscation of property at site value only it is inequitable to require the owner to pay part of the cost of providing new buildings.

(5) That had the owners of such property been fortunate enough to have demolished the houses previous to their condemnation they would be paid compensation for the land at full market value.

(6) That very often poor persons, including widows, have come into possession of insanitary property by will or bequest and that estate duties have been paid by them on a market value basis far in excess of the compensation figure.

The matter has been complicated by the rent restriction acts. It is claimed by the owners that they would have cleared away the insanitary houses long ago but for these restrictions which prevent them from obtaining vacant possession from the tenants in occupation. To some extent this may be true but two replies seem to be called for (1) What were the owners doing for some half a century when they enjoyed absolute freedom from restrictions? and (2) Since the building of working-class dwellings is not a profitable transaction few owners would have developed their property by rebuilding working-class dwellings.

REHOUSING PEOPLE DISPLACED

The problem of rehousing the people displaced from an unhealthy area is complicated by the difficulty of obtaining rehousing sites and further by the large proportion of people who are on the poverty line. The London County Council is able to rehouse up to about 30 per cent of the people living in unhealthy areas in dwellings on the new cottage estates outside the county or in tenements of the block dwelling type within the county boundary. Having thus secured the vacant possession of a considerable number of the condemned houses the decanting process begins. A certain portion of the area to be cleared is marked off and the people from it are moved into the other houses in the locality vacated by those who have definitely moved, as stated before, to other council dwellings. The houses in that portion are then demolished and new ones built. Another portion of the area is marked off and the people from it are rehoused in the newly built dwellings and so on until all the area is cleared and new houses erected thereen. In the case of very few areas, is it found that there is room to rehouse all the displaced people. This is due to the fact that nearly all the clearance areas are overcrowded and that redevelopment schemes must include open spaces within the area. The general experience in London is that from 50 per cent to 70 per cent of the persons displaced can be accommodated in new buildings on the cleared area, and this necessitates the purchase of rehousing sites either within the county or in close proximity thereto.

All housing authorities agree in preferring to build two or at most three-story cottages, each with their separate gardens attached, rather than building skywards. In the county of London, however, the stage has been reached when for three reasons it is not practicable to build cottages except in the limited acreage available in the southeast district. These reasons are (1) the high cost of land within the county, (2) the regrettable necessity of housing at a higher rate of density per acre, and (3) the demand on the part of the working-class population to live in close proximity to their place of business. There may also be mentioned the natural desire of Londoners to reside within the circle of its manifest attractions.

Roehampton Estate—A Suburban Housing Development of the L. C. C.

The standard type of building now being erected in the county of London is the five-story tenement block dwelling with communal gardens and children's playground. With one exception which was instituted for experimental purposes no lifts (or elevators) are provided. The reason for their omission is purely an economic one. However desirable this facility may be, it is in England still regarded as a luxury and not a necessity. The buildings are so designed that the ground, first and second floors have each their self-contained tenements but the third floor tenements each possess separate staircases to the sleeping apartments on the fourth floor which constitutes the fifth story. Thus no families have to climb higher than to the third story to reach their front doors. No blocks are at present being constructed with internal passages, the design being so arranged that the main staircases give access to outside balconies from which all tenements above the ground floor are reached.

SPECIAL SOCIAL PROBLEMS IN HOUSING FOR SLUM AREAS

Every slum area may possess some features calling for attention but three problems are presented, differing only perhaps in degree, in all of them. They are (1) the variety in size and type of family units (2) the large proportion of such families living on the poverty line, and (3) the collection of small shops, businesses and street traders whose livelihood has largely depended on some humble but vital accommodation in the shape of sheds, back yards, etc. Every city fosters such humble traders and in London we have our chimney sweeps, merchandisers of cats' meat, firewood, coal, rags and bones, costermongers, ice cream vendors and a host of others. In designing our buildings and forming our plans for rebuilding a slum area we have endeavored to have regard to these special difficulties in the flexibility and cheapness of accommodation and in the provision of new shops and other accommodation for the small traders.

The problem most difficult of solution is that of housing the larger family units within their capacity to pay. Families of three or more children with parents have been accustomed to living in two small rooms for which they have paid from 6s. to 10s. weekly (1 dollar 45 cents to 2 dollars 43 cents). When the same families become tenants in the new dwellings provided by the London County Council in order to obviate overcrowding they require some three, four or five rooms for which the appropriate rents are from 13s. to 20s. per week (3 dollars 16 cents to 4 dollars 86 cents). Even at such rents the average annual loss per tenement to be borne by London is about £16 (78 dollars). This raises the question of differential rents, children allowances, income allowances, etc. Under the new housing act it is stated that the basis of government grant will assist local authorities to charge lower rents to a proportion (based at about 50 per cent) of the persons to be rehoused. This whole question of rent differentiation is at the present time *sub judice* in London and must, therefore, find place in some future issue.

It may be mentioned that means have already been employed to provide dwellings at lower rents by effecting a difference in the amenities of the building. We call our standard block dwellings the normal type for which standard rents are payable and the other dwellings are described as simplified type, the rents of which are some 3s. below the standard rents.

SLUM ABATEMENT PROGRAMMES IN LONDON

Prior to 1914 the London County Council and its predecessors had cleared 97.22 acres of slums displacing and finding other accommodation for 45,438 persons at a cost of £3,544,600 (about 17¼ million dollars). Since the War the local authorities in the county of London have operated and partly completed a number of clearance schemes involving a total area of about 140 acres and rehousing about thirty nine thousand persons. In July 1929 the London County Council further decided to adopt all the remaining unhealthy areas which had been represented as such by the medical officers of health of the various districts in which they were situated. A few small areas, usually less than three-quarter acres, were left to the responsibility of the borough councils. This further area to be cleared amounts to some 100 acres and the cost is estimated at close on £4,500,000 (21,870,000 dollars). The number of persons to be displaced and rehoused in this connection is about 30,000.

OSSULSTON ESTATE—ONE TYPE OF CONSTRUCTION FOR REHOUSING PERSONS DISPLACED

MEASURES FOR DEALING WITH OVERCROWDING

The attack on overcrowding while being vigorously pursued in London is fraught with great difficulties. When regard is had to the fact that over 600,000 persons not to mention the owners of houses are technically breaking the law it will be realized that this problem is where the attack should be launched. Overcrowding may be willful or spontaneous. The majority of people who are living in a crowded condition are regarded as helpless to alter their circumstances. It is a well-known fact that about 10 per cent of changes in tenancies or removals take place every year. If, therefore, when a family moves out of an overcrowded house, the authorities will take effective steps to prevent a recurrence of overcrowding in that dwelling, the difficulty will be overcome in a measurable period of time. This method is in fact considered to be the most effective way of dealing with overcrowding.

By-laws for prevention of overcrowding were drawn up and adopted by the London County Council in 1926. The operation of these by-laws is placed in the hands of the metropolitan borough councils. Some of the councils are now operating them vigorously, but it is considered that a much more thorough campaign should be instituted if progress of any magnitude is to be made.

ARE SLUMS LIKELY TO INCREASE IN LONDON?

With the effective measures which are being taken in clearing slum areas, in the improvement of other areas where there is a tendency to deterioration in condition, and by the reconditioning of single or small groups of houses there is every probability of a gradual improvement in districts inhabited by working-class people. The question of education in cleanly habits is largely bound up with this problem and it is satisfactory to be able to say that there is a general improvement in this direction.

There are in London many public utility societies and housing trusts carrying on a steady campaign of improvement in housing conditions. Since the War the efforts of these agencies have been redoubled both in building new tenements and in reconditioning old houses. The London County Council have power to assist these societies by loans towards new buildings and by annual state and municipal grants of £9 7s. 6d. (about 45 dollars) for each house or tenement provided.

CONCLUSION

While most of the worst London slums have disappeared in living memory and while there is a stout fight by so many public and private forces which enables a gradual improvement to be recorded, there nevertheless remains a great volume of work to be done in London towards slum abatement. Many of the cottages and dwellings are congested and are reaching the limit of useful life. They can only be kept in tolerable condition at a heavy expense. Buildings which have underground rooms and suffer from the lack of adequate sanitary accommodation and other defects are marked for removal when the means of rehousing can be accomplished. Prevention and cure go hand in hand and among the many fighters there is confidence and assurance that this generation will see a vast improvement of housing conditions in London.

It only remains to refer to two proposals which are held by many people in London to be of vital importance. The first is the zoning and town planning of built up areas. The London County Council have by resolution expressed themselves in favor of this principle but new legislation is necessary before it can be effectively introduced in London. The second proposal is the creation of satellite towns at a considerable distance from the county of London. Such a proposition would mean the wholesale emigration of population and industry to sites in the country with ideal surroundings and with every facility for transport and for the independent life of a new community. In the two well-planned and beautiful garden cities of Letchworth and Welwyn, within 34 miles and 22 miles of London, private enterprise has led the way to an ideal which should be possible of attainment by a body such as the London County Council. But to obtain the maximum of benefit for London the new garden cities would require to be intimately linked up with large scale clearance schemes in old and congested districts of London. Displacement whether of population or industry should be effected by means of generous terms of compensation. With possession of large cleared areas extending perhaps to some five hundred acres, the work of slum abatement in London could proceed with tenfold speed, and it is only along these lines that this problem of slum abatement can be most speedily and effectually accomplished.

APPRAISING MUNICIPAL REPORTS

BY CLARENCE E. RIDLEY
The University of Chicago

Dr. Ridley records a distinct improvement in municipal reports examined during the past four years. This year Staunton, Virginia, wins first place; Brunswick, Georgia, and Cincinnati, Ohio, tie for second place. :: :: :: :: :: :: :: :: ::

This is the fourth successive year that the Review has published a summary of the municipal reports reviewed in its columns during the previous year. In 1927, twelve reports were reviewed and later summarized and appraised; in 1928, seventeen; in 1929, twenty; and last year there were sixteen. It, therefore, appears that from fifteen to twenty municipal reports of sufficient merit for review are about the limit of production in any one year. It is probably true, however, that some reports of great merit are missed each year for the reason that they are not made available for review purposes.

REPORTS REVIEWED

The sixteen reports which are appraised in this article were reviewed in the following issues:

May—Fort Worth, Texas; and Rhinelander, Wisconsin
June—Brunswick, Georgia; and Cincinnati, Ohio
July—Glendale, California; and Wichita, Kansas
August—Austin, Texas; and Plymouth, Michigan
September—Staunton, Virginia; and Summit, New Jersey
November—Auburn, Maine; East Cleveland, Ohio; Roanoke, Virginia; and Two Rivers, Wisconsin
December—Kenosha, Wisconsin; and Westerville, Ohio

BASES OF GRADING

The twenty criteria upon which the appraisal was based are as follows:

I. Date of Publication

1. *Promptness.*—The report will have little value unless published soon after the end of the period covered—six weeks as a maximum.

II. Physical Make-Up

2. *Size.*—Convenient for reading and filing, preferably 6″ x 9″.

3. *Paper and type.*—Paper should be of such a grade and the type of such size and character as to be easily read.

4. *Important facts.*—The more important facts should be emphasized by

change of type or by artistic presentation.

5. *Attractiveness.*—The cover, title, introduction, and general appearance should aim to attract the reader and encourage further examination.

III. Content

A. *Illustrative Material*

6. *Diagrams and charts.*—Certain established rules should be followed to insure an accurate and effective presentation.

7. *Maps and pictures.*—A few well-chosen maps to indicate certain improvements, and a liberal supply of pictures, pertinent to the report, should be included.

8. *Distribution.*—Great care should be exercised in placing the illustrative material contiguous to the relevant reading material.

B. *Composition*

9. *Table of contents.*—A short table of contents in the front of the report is a great aid for ready reference.

10. *Organization chart.*—An organization chart or table indicating the services rendered by each unit, if placed in the front of the report, will help the reader to a clearer understanding of what follows.

11. *Letter of transmittal.*—A short letter of transmittal which either contains or is followed by a summary of outstanding accomplishments and recommendations for the future should open the report.

12. *Recommendations and accomplishment.*—A comparison of past recommendations with the progress toward their execution will serve as an index to the year's achievements.

13. *Length.*—Fifty pages should be the maximum length.

14. *Literary style.*—The text should be clear and concise, reflecting proper attention to grammar, sentence structure, and diction.

15. *Arrangement.*—The report of the various governmental units should correlate with the organization structure, or follow some other logical arrangement.

16. *Balanced content.*—The material should show a complete picture, and each activity should occupy space in proportion to its relative importance.

17. *Statistics.*—Certain statistics must be included but, wherever appropriate, they should be supplemented by simple diagrams or charts.

18. *Comparative data.*—The present year's accomplishments should be compared with those of previous years, but only with full consideration of all factors involved.

19. *Financial statements.*—Three or four financial statements should be included, showing amount expended and the means of financing each function and organization unit.

20. *Propaganda.*—It is unethical and in poor taste to include material for departmental or personal aggrandizement. Photographs of officials, especially of administrators, seem out of place in a public report.

The application of these criteria to the reports is shown in the accompanying table.

COMPARISON WITH APPRAISALS OF PREVIOUS YEARS

Since this represents the fourth consecutive appraisal of municipal reports in as many years some fairly reliable basis of comparison should be available. The accompanying table indicates the relative ratings of reports of several cities in successive years.

City	*1928*	*1929*	*1930*
Austin, Texas	54	65	80
Brunswick, Georgia	73	84	89
Cincinnati, Ohio	83	87	89
Kenosha, Wisconsin	79	68	79
Roanoke, Virginia	62	66	74
Staunton, Virginia	76	89	90
Two Rivers, Wisconsin	65	78	84
Westerville, Ohio	59	76	80

TABLE OF COMPARATIVE RATINGS OF MUNICIPAL REPORTS

Explanation.—The number "5" denotes approach to an acceptable standard, while "0" indicates the value on that particular criterion to be practically negligible. Intervening numbers denote the degree of variation between these two extremes. A total of 100 would indicate a perfect score.

Criteria	Auburn, Maine	Austin, Texas	Brunswick, Georgia	Cincinnati, Ohio	East Cleveland, Ohio	Fort Worth, Texas	Glendale, California	Kenosha, Wisconsin	Plymouth, Michigan	Rhinelander, Wisconsin	Roanoke, Virginia	Staunton, Virginia	Summit, New Jersey	Two Rivers, Wisconsin	Westerville, Ohio	Wichita, Kansas
I. Date of Publication																
1. Promptness	0	3	4	4	1	4	0	2	2	4	2	5	2	2	0	3
II. Physical Make-up																
2. Size	5	4	5	5	5	5	5	5	5	5	4	5	5	5	5	4
3. Paper and type	5	5	5	5	5	5	5	5	5	5	5	5	4	4	5	5
4. Important facts	3	3	4	4	3	3	3	3	2	3	3	3	3	3	2	3
5. Attractiveness	3	4	5	5	5	5	5	5	4	4	5	5	5	5	4	5
III. Content																
A. Illustrative Material																
6. Diagrams and charts	3	1	5	5	3	4	0	4	1	0	3	4	4	4	4	1
7. Maps and pictures	1	5	4	5	5	4	4	4	3	4	4	4	3	4	4	4
8. Distribution	3	5	4	5	5	3	4	5	5	4	4	5	5	5	4	4
B. Composition																
9. Table of contents	5	5	5	5	5	5	5	0	0	2	5	5	0	5	5	0
10. Organization chart	5	5	5	5	5	5	5	5	5	0	0	5	5	5	5	0
11. Letter of transmittal	4	4	4	5	5	0	4	5	4	3	5	5	4	5	4	4
12. Recommendations and accomplishments	4	5	5	5	5	4	4	5	5	0	5	5	0	5	4	4
13. Length	4	3	5	2	5	5	2	2	5	5	3	4	5	4	5	4
14. Literary style	4	4	4	4	4	4	4	4	4	4	4	4	4	3	4	4
15. Arrangement	4	4	4	4	4	4	4	4	4	5	4	4	4	4	4	4
16. Balanced content	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
17. Statistics	4	4	4	4	4	4	3	4	3	4	4	4	4	4	4	3
18. Comparative data	3	4	5	4	4	4	3	4	1	3	2	5	4	4	4	3
19. Financial statements	3	4	4	4	4	4	3	4	4	4	3	4	4	4	4	4
20. Propaganda	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Totals	72	81	89	89	86	81	72	79	71	66	74	90	74	84	80	68

Promptness.—The average length of elapsed time between the end of the period covered and the date the reports were available shows a decrease from those of previous years. In 1927 the time was 4.5 months; in 1928, 3.7 months; in 1929, 4.7 months; and in 1930, 4.1 months.

Physical make-up.—The format and general make-up of the reports in 1930 showed a distinct improvement. The sixteen reports taken together scored 86 per cent of perfection, while the corresponding figures for previous years were: 1927, 78; 1928, 78; 1929, 82.

Illustrative material.—A very pronounced improvement is evidenced in the illustrative material appearing in the municipal reports, both as to amount and character. The sixteen reports considered as a whole rated 74 per cent as compared with 65.3 in 1929; 58 for 1928; and 62 for 1927.

Composition.—The distinct improvement in the composition of the reports during the four years has been most encouraging. The rating for 1930 was 79 as compared with 72.5 in 1929; 66 in 1928; and 64 in 1927. This progress is due in no small degree to the tendency toward briefer reports. The average in the past year was 60 pages while the corresponding figures were 90 in 1929; 78 in 1928; and 90 in 1927. For good or evil, it appears that there is a trend toward the shorter municipal report.

CONCLUSION

From the 65 reports reviewed in these columns, over the past four years, it ought to be possible to decide whether the creation of a public report review section in the REVIEW in 1927 was justified. I believe the purpose at that time was twofold: (1) to stimulate interest on the part of the administrator in annual municipal reports, and (2) to improve public reporting. As to the latter objective, there can be no doubt but that a very distinct improvement has been made, but as to the former, it is doubtful whether more reports are being issued now than four years ago. It is quite likely that other means of acquainting the public with facts about the government are playing a more important part, such, for example, as the radio, the short periodic report, and other more modern and perhaps less laborious methods.

NEW YORK'S MODEL HOUSING CODE

BY BERNARD J. NEWMAN

Philadelphia Housing Association

Mr. Newman is a stern critic of the Model Housing Code recommended by the New York state board of housing. :: :: ::

AT last something radically different from the accepted type of housing code has been published. It comes from the New York state board of housing and is recommended to the municipalities of the state. A committee representing the New York State Conference of Mayors and other Municipal Officials, as well as the New York state department of health, coöperated with the board in its preparation. Rudolph P. Miller of New York City receives credit in the introduction for the original draft.

The code is characterized by the state board as a "model housing code" and according to the same authority, it "has been so prepared that it can, and should be used verbatim, except, possibly, for such minor changes, as already indicated, to adapt it to local conditions." The state board issues a warning that "care must be exercised, in case of a substitution of terms, that meanings are not so altered as to cause confusion in the text or to defeat the purpose of its provisions." Furthermore, says the board, if there is any "inclination to elaborate some of the suggested provisions, by inserting part of a comment, there should be no yielding to such a temptation."

Apparently the draftsmen have endeavored to prepare a code which is at variance with the work of specialists in the housing field in order that their product will not be labelled "ideal." They need have little fear that their workmanship will be declared ideal. It *is* original in many respects: original in some of its definitions, in many of its minimum requirements, in subject matter chosen for incorporation in housing law, and even in its sentence formation. No building bureau inspector or health officer, if such should be required to enforce the code, would be able to interpret its provisions without careful analysis and frequent cross references. An effort to secure brevity is seen in the omission of housing standards common to other codes but this purpose is achieved at the sacrifice of thoroughness and with confusing gaps in code coverage. The result is that a reader who is familiar with building or housing law is left with the impression of careless draftsmanship. For example, while the usual procedure is to separate the provisions governing construction of new residential buildings from those that pertain to alterations or to changes in use through conversion of old dwellings, yet the authors here have failed to correlate pertinent sections that will assure adequate control over changed uses, in buildings of prior construction, resulting from conversion without structural change.

ACCEPTED DEFINITIONS DISCARDED

Definitions of terms which have been uniformly accepted for the past twenty-five years have been discarded in favor of new definitions. These turn out to be confusing as, for example, the definitions of basement and cellar, yard and court. A yard is a court; a street may be a court; yet a court is an area within the lot lines. A water closet compartment is, for the purpose of some regulations, considered a bathroom. This failure to use important words in the sense in which they are commonly defined in our standard dictionaries maintains throughout the text. A "stairway" is not defined but the term is used where a "stair-well" is meant. No differentiation is made between a public and a private stairway. The word "replace" is used where the authors intend the meaning to be "equivalent to."

Careless sentence construction is also conspicuously manifest. In section 306, paragraph four, apparently the authors intended to say, "Every court shall be connected at or near the bottom of the court by a horizontal intake or passage to a street or yard," but the text says such "shall be connected at or near the bottom of street or yard by a horizontal intake or passage." Another illustration of such careless construction appears in the paragraph relating to the location of water closets. The draftsmen evidently labored under the impression that they were assuring the privacy of approach to the common closet of the apartment when they require "one separate water closet in each apartment" and then, in another section, state "in multi-family houses . . . access without passing through a bedroom shall be provided to at least one water closet, unless every bedroom has direct connection with a water closet or a bathroom having water closet accommodations." But this is incomplete; the meaning would have been clearer, and they would have assured themselves against the evasion of their intent, had they said there shall be at least one water closet in a separate compartment or bathroom in each apartment, accessible without passing through a bedroom unless there is a water closet directly accessible to each bedroom.

In paragraph 301, number 8D, there is another example of faulty phraseology. The text reads "In buildings not exceeding four stories and basement in height, . . . " but the definitions state that a cellar is a story and a basement is a story. Apparently the intent here is to include buildings with not more than four stories *above* the basement but with the emphasis placed, as it is, on strict adherence to the meanings given in the definitions, the use of the word "and" for the words "above the" obscures the meaning. To the uninitiated, this emphasis on the correct use of words may seem to be quibbling. It is not, for it is just such faulty phraseology that creates confusion and causes unnecessary recourse to the courts.

ARTIFICIAL VENTILATION

One wonders whether, in section 300, paragraph 4, the authors intended to require an artificial ventilating system in the dormitory room of a fire station which has adequate window area capable of being opened. If such is the intention, it is absurd. If not, why say so? The frequent resource to artificial ventilation under conditions which could be readily met by requiring window area is open to suspicion for it does not assure hygienic occupancy. Furthermore, a room that is already above ground for which artificial ventilation is required must have three changes of air per hour, but a room that is partly below ground, say one foot or two feet, must be artificially ventilated with six changes of air per hour. In like manner, it is permissible to construct a house in which there is a room with only 60 square feet of floor area, or 460 cubic feet of air, but a health officer may refuse to allow an adult to occupy it since it is less than the 600 cubic feet required for adults. Again, the code requires that "provision for artificial lighting shall be made" but it does not require that these provisions for artificial lighting shall be used.

Apartments must have sinks and running water but they are not required to be sewer connected. It might be said that the plumbing code covers this point, yet in the same article it is required that other sanitary fixtures be "properly connected with the drainage system." The demands of uniformity make repetition unavoidable in this instance. More than likely it just did not occur to the drafters that uniformity in such matters is an essential requirement of code drafting.

SUB-STANDARD REQUIREMENTS

More important than such careless draftsmanship, from the point of view of good housing, are the sub-standard requirements set up by the code. They are not ideal because they are too low. They are not practical because they suggest lower standards than are followed in ordinary construction by unscrupulous builders. For example, this code will permit the ventilation of a bathroom by either a window or a duct. If a window is used it must have six square feet of area, but a duct of seventy-two square inches cross section area is considered sufficient. Windows totaling one-tenth the floor area with not less than ten square feet of usable window area for each room must be provided for the habitable rooms. Only one-third of such usable window area, or the equivalent of one-twentieth of the floor area, need be "openable" under the code, which is much too inadequate for satisfactory ventilation. The lowest accepted standard in existing codes is that one-half the window area shall be capable of being opened. Then, again, light and air shafts, and ventilating ducts are legalized but their purpose is defeated because the dimensions established would not provide sufficient light or ventilation.

The drafters clearly intended to produce a practical code, i.e., one which would set up standards less than scientific knowledge in the field of light and ventilation would dictate. The result is that they have produced a "model housing code" that permits standards which were outlawed twenty years ago in the housing codes in the United States. Some of the standards proposed for the less congested areas of the state are even lower than those adopted by the New York Assembly to govern the construction of multi-family houses in New York City.

For example: intakes here are permitted with a cross section area of ten square feet while New York requires 21 square feet with 2½ feet in the least dimension; minimum window areas here are allowed at 10 square feet of glass area while New York requires 12 square feet between mullions; the minimum floor area here for apartment rooms is set at 60 square feet while New York requires one room of at least 132 square feet with a minimum for other rooms, excluding kitchen and dining bays, of 80 square feet; there is no requirement here to fix the size of any room over 60 square feet, the minimum width permissible being 6 feet while the city code sets 8 feet, except in apartments of three or more bedrooms where one-half such bedrooms may be 7 feet in their least dimension; yard area requirements here permit lot coverage greater than are permitted under similar conditions by the city code.

Anyone who has drafted a housing code will sympathize with the state board and its coöperating organizations because of the difficulties that confronted them in preparing an ordinance for the use of the smaller cities and villages of New York state. They made their task unduly hard by trying to combine in one code features which should be covered in three codes, a Building Code, a Zoning Ordinance, a Housing Code. Furthermore, they have tried to draft a code to which the jerry-builders would not object. Their mistakes, which are many and serious, are a logical consequence of such faulty purpose.

Their objective was to set up standards in order to secure "healthy conditions of human life and activity, especially through the agency of adequate light and ventilation, adequate means of egress, adequate protection from fire, and proper sanitation." In this they have failed woefully. It will be unfortunate if this code is permitted to remain in circulation as it now stands. It should be recalled and very carefully revised, always with the realization that standards recommended for small cities and villages should more nearly approximate the standards which are essential to the maintenance of public health than are those adopted for large cities where land values and like factors force an acceptance of modification and compromise.

DO BUSINESS MEN WANT GOOD GOVERNMENT?

BY MARSHALL E. DIMOCK
University of California at Los Angeles

Dr. Dimock questions whether they do but believes that they should.

ONE of the perennial complaints of American political scientists is that people in this country are not nearly so interested in good government, and in holding public office, as are the citizens of most countries. Imagine what their consternation must be, therefore, when it is learned that it is announced in *Nation's Business*, the official journal of the Chamber of Commerce of the United States, that, "the best public servant is the worst one."[1] These words, from so important an authority, seem to ring down the curtain on the public administration stagehands.

IS THE BEST PUBLIC SERVANT THE WORST ONE?

"Business men are the most influential class in the country. They never had so much influence as they have here, and never so much influence as they have now," remarks an observer in the same magazine.[2] If the writer of this statement is correct, and it is believed he is, then perhaps students of American government, and citizens generally, would do well to look critically at the present-day attitude of Business toward Government. Perhaps the most serious faults of administration in the United States are not, as some had supposed, ones of duplication, personnel, and control. Rather, the most serious pitfall may be the cynical, even antagonistic attitude toward the possibility of more competence and zeal in public office of the public generally, conduced by the outspoken attitude of an active portion of the country's most influential class.

MORE BUSINESS IN GOVERNMENT

The Chamber of Commerce of the United States is a political force of the first magnitude. It is rapidly becoming an "American institution."[3] Undoubtedly the most important interest group forming a part of the "third house of congress," it has a membership of almost 1600 local chambers of commerce; a palatial building in Washington; an annual budget of more than a million dollars; and a permanent staff of three hundred persons. Moreover, as a writer has recently said, "the bulk of the money and the major portion of the labor of its employees, go toward presenting to congress the views of American business on pending legislation."[4] The Chamber may be properly called "Official" Business. *Nation's Business* has a monthly subscription list of more than a quarter million business executives. This substantial politico-economical legion is arrayed behind the banner, "More Business in Government, and Less Government in Business."

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[1] Homer Ferguson, "A Plea for Inefficiency in Government," *Nation's Business*, November, 1928, p. 20.

[2] Samuel O. Dunn, "The 'Practical' Socialist," *Nation's Business*, November, 1928, p. 15.

[3] E. P. Herring, *Group Representation before Congress*, pp. 78–95 (1929).

[4] Oliver McKee, Jr., "Are We Governed by Lobbies?" *North American Review*, March, 1929, p. 350. Complete information is found in D. A. Skinner, "The Chamber of Commerce of the United States of America" (official pamphlet, 1925).

In the implications of this slogan, especially the latter part of it, the writer believes he discovers the reasons for the attitude toward the "best public servant," expressed above. What is meant by "More Business in Government"? What is the significance of the slogan, "Less Government in Business"?

First, what are the alleged or real implications of "More Business in Government"? Do the proponents of this slogan desire more competence among officials and employees, more coördination of services, and more return on money invested in government employments? So far as they do, the proposal is admirable. And there is a good deal of proof to support the contention that this is what official business does want. Business men want "businesslike" government, because, if for no other reason, it saves them money in taxes. More and more our candidates for office promise "business administrations." The cases in which official business has materially contributed to the improvement of public employments are rather numerous, and growing in number. It may suffice to point out that the function of one of the principal bureaus of the national Chamber is to scrutinize the financial practices of the various administrative services of the national government, and by coöperation and helpful criticism, to assist the responsible officials to keep pace with improved business methods.[1] Today more than one-third of the 1600 organizations constituting the national Chamber are wrestling with financial problems in municipal governments.[2]

But how can these practical manifestations of service to the public welfare be reconciled with the outspoken conviction that, "the best public servant is the worst one"? Again, one more commonly reads statements in the pages of *Nation's Business*, to the effect that "Government management is sure to be inefficient."[3] Is this a statement of fact or of desire? Does this suggest a purpose on the part of "the most influential class in the country" to lend its support to a more efficient conduct of public affairs? It is certainly true that if you can only make people think that government is by nature dishonest and inefficient, and that nothing can be done about it,[4] not much will be done about it. Moreover, the facts disprove this cynical assertion concerning inevitable inefficiency. The emphasis upon efficiency in government came at a late stage in the history of our institutions. It may safely be said, however, that more improvement has been made in administration—federal, state, and municipal—in the last score of years than in the two score preceding it.[5] There is no bona fide excuse for cynicism on that score.

BUSINESS ETHICS

Apparently what some, who wish to put "more business in government," hope to effect is the wholesale introduction of current business ethics into government, in order, thereby, to be assured of protection and favors, while enjoying immunity from the possibility of government regulation. "What's good for business is good for the country." Is everything that characterizes business good for the government? No, I think not, because the standards of morals and conduct which we require of our public officers are higher than those demanded of the successful business man. My reason for saying this can be easily explained. For example, most of us buy our insurance, automobiles, radios, etc., from a friend, or from someone who will reciprocate by patronizing our business, trade, or profession. But when the mayor of your city follows the same hunch, or is perhaps coerced into such a course of political activity, he is liable to land behind the bars. In other words, business is run largely on the basis of friendship and favors. Public service succeeds to just the extent that it is free from these influences.

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[1] E. P. Herring, *Group Representation before Congress*, pp. 84, 85. An interesting account of such activity is presented by former Secretary of War D. F. Davis, "How the Army Economizes," *Nation's Business*, June, 1928, p. 41.

[2] Morris Edwards, "Business is Plugging Tax Leaks," *Nation's Business*, February, 1929, p. 52.

[3] For example, Samuel O. Dunn, "The 'Practical' Socialist," *Nation's Business*, November, 1928, p. 178.

[4] A thing that an officer of the national Chamber did say, in substance, in a public address attended by the writer.

[5] L. M. Short, *The Development of National Administrative Organization in the United States* (1923). L. D. White, *An Introduction to the Study of Public Administration* (1926).

Official Business recognizes the existence of this menace. "Ridding Business of Bribery," states the writer of an article in *Nation's Business*,[1] is still the greatest house-cleaning job which trade associations and chambers of commerce must perform. Are we uncharitable in suggesting that so long as our public service is largely amateurish rather than professional, that is, so long as our administrative personnel is recruited from the ranks of business rather than trained for government as a career, we are pretty sure to find the friendship-favors system of business carried over into public employment? Is it not significant that when the senate investigated Messrs. Daugherty, Miller, Fall, and Denby, during the deluge of Harding scandals, they discovered in practically every case that the official involved felt morally justified in shielding friends, and former business associates, because, apparently, that was the code of ethics carried over from industrial life? [2] Mr. Blanton expressed the public viewpoint when, in a senate debate, he said, "But a man cannot escape doing his duty on the ground of friendship." [3]

Official Business could build up a public sentiment, through business associations and publications, which would be strong defense against the repetition of great national scandals like those of 1924, and periodic municipal political-mires, like the recent Asa Keyes affair in Los Angeles. Does it wish to do so? If not, why not? The record on this score is not promising, as illustrated by the *laissez faire* attitude toward the national scandals. We are confronted with the indelible record that at least some authoritative business leaders desire that public servants should be mediocre, and with the cynical assertion that government is bound to be inefficient. Moreover, responsibility for the journalistic policy of *Nation's Business* rests squarely upon the directors of the Chamber of Commerce of the United States. The Chamber claims that it merely "echoes the majority opinion of business men." "It utters no *ipse dixit* opinions. It serves rather as the agency through which the opinion of business is canvassed and when canvassed is given point and emphasis." [4] Does the average business man think that the best public servant is the worst one? As a matter of fact, in the determination and expression of policies, there is undoubtedly a great deal of discretion exercised by the Chamber's principal officials.[1] If the attitudes toward "the best public servant, and efficiency in government, are 'official,' is it possible that the explanation is found in the second part of the Chamber's slogan, namely, 'Less Government in Business'"?

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[1] S. D. Mayers, "Ridding Business of Bribery," *Nation's Business*, December, 1928, p. 52.

[2] Cf. M.E. Dimock, *Congressional Investigating Committees*, p. 137.

[3] *Cong. Record*, 68 Cong., 1st sess., p. 1701.

[4] From a pamphlet entitled "An Experiment in Democracy," p. 10, issued by the Chamber of Commerce of the United States.

LESS GOVERNMENT IN BUSINESS

Is Official Business confronted by a dilemma? First-rate government supposedly effects a reduction of taxes, a result ardently wished for by business at all times; but government that is too good encourages popular reliance in government, which in turn might result in the increase of governmental regulation of business, and possibly in new forms of government ownership and operation.

"It is generally agreed by business men," states the editor of the *Railway Age*, "that the growing burden of taxes, and the increasing tendency of the government to interfere and engage in business are twin menaces to our welfare."[2] On every hand one hears the cries of the champions of American business to the effect that our "unfair" government passes too many laws affecting industry; and that private enterprise is being competed with by the government in business. A large part of the complaint is leveled against regulation and regulative agencies, such as the interstate commerce commission, the federal trade commission, and public utility commissions.[3] But of course the greatest hue and cry arises when the federal or state governments furnish services which private enterprise might conceivably supply. "The government must keep out of business," declare the ambassadors of industry.

Hence one finds business spending staggering sums annually upon lobbies at Washington and at the state capitals. Tons of literature are printed, to convince the public that the state governments should get out of the insurance business,[4] and should withdraw from the public utility field generally. Officious old Uncle Sam is told that he should at least abandon his merchant marine,[5] his Panama Railroad and Panama Railway ships,[6] his Mississippi River barges,[7] and his shipyards, when they compete with privately owned ones.[8]

This hostility to government enterprise causes the spokesmen of business to be hostile toward meritorious public servants who discharge these public business functions. They reason something as follows, apparently. If government officials are competent and zealous, the public will like the character of public utility service it is furnished by government agencies. Citizens will feel inclined to entrust to public stewardship additional enterprises affected with a vital social importance. Business, collectively, will thereupon have fewer opportunities to make profits, in the public utility field. But if public officials are and remain inefficient, the public will sicken of incompetence and rely exclusively upon corporate enterprise. That means less competition and more profits. Hence the fervent plea for inefficiency in government. The faithful public servant, states the president of Newport News Shipbuilding and Dry Dock Company, writing in *Nation's Business*,[1] "is dangerous." "A thoroughly first-rate man in public service is corrosive. He eats holes in our liberties. The better he is and the longer he stays the greater the danger. If he is an enthusiast—a bright-eyed madman who is frantic to make this the finest government in the world—the black plague is a house pet by comparison." Business, therefore, concludes that the mediocre public servant is the best one.

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[1] Dr. Herring reaches this conclusion. *Op. cit.*, p. 83.

[2] Samuel O. Dunn. *Op. cit.*, p. 180.

[3] John T. Flynn, "Business and the Government," *Harper's Magazine*, March, 1928.

[4] See, for example, David McCahan, "The State Goes into Insurance," *Nation's Business*, February, 1929, and F. C. Christopherson, "A State Goes Into Business—and Out Again," *Nation's Business*, May, 1929. Also references in Samuel O. Dunn, *op. cit.*, p. 17 ff.

[5] As examples of this policy, Chester Leasure, "Bureaucracy Puts Out to Sea," *Nation's Business*, August, 1928, and, by the same author, "Our Unfair Government," *Nation's Business*, January, 1929.

[6] *Ibid.*

[7] Samuel O. Dunn, "The 'Practical' Socialist," *Nation's Business*, November, 1928, pp. 17, 178.

[8] Homer Ferguson, "A Plea for Inefficiency in Government," *Nation's Business*, November, 1928, pp. 21, 22.

A proper consideration of this outspoken hostility to first-rate government must deal with two questions. In the first place, why is government in business? Second, if there should be less government in business do those who wish to get it out of business choose the sanest, wisest course in attempting to permanently discredit first-rate government?

WHY IS GOVERNMENT IN BUSINESS?

Our federal, state, and local governments perform functions which might be monopolized by private enterprise. Even the postal service falls within this category. In addition, government commissions enter the business realm by assuming important functions of control, as the interstate commerce commission does in the case of interstate carriers, for example. Why does the government carry on activities which, at one time, were considered exclusively business functions? Why does the government regulate business enterprises?

The interstate commerce commission, the federal trade commission, and similar boards were created because the public welfare was seriously endangered by the overweening power and resultant anti-social practices of certain commercial groups. But what is not so generally known is that certain business interests, in self-defense, took the initiative in getting the government to interfere. Government regulates business today because business asks it. Trade associations, in increasing number, flock to official Washington. They knock at the very doors of congress; they besiege the commerce department, begging for regulation—of the other fellow.[2] Of course when the agencies they succeed in getting created are used against them, they sometimes complain more vociferously than their competitors, who first fell under the lash.

The business man is a "practical socialist." He can't seem to help it. A "practical" socialist, Mr. Samuel O. Dunn tells us, "is a man who will favor almost any form of government action, however socialistic, which he believes will benefit him."[3] Mr. Dunn concludes that this weakness of business men does a lot of damage to the cause of business. The "practical" socialist is dangerous. In comparison the "theoretical" socialist is impotent. Another writer in *Nation's Business* comes to the conclusion that "practical" socialists are leading us surely and rapidly to a "socialized Democracy."

There is a great deal of important

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[1] Homer Ferguson, "A Plea for Inefficiency in Government," *Nation's Business*, November, 1928, p. 20.

[2] John T. Flynn, "Business and the Government," *Harper's Magazine*, March, 1928. Julius Klein, "What Government Asks of Business," *Nation's Business*, May 25, 1929 (special number).

[3] Samuel O. Dunn. *Op. cit.*, p. 16.

reflection tied up in Mr. Dunn's observation that "a man will favor almost any form of government action, however socialistic, which he believes will benefit him." Isn't that inescapably human? Of what account is the rebuke, "Less Government in Business," when business men want government coöperation, and must have the services of a referee, the government, to settle "in the public interest," their most bitter trade disputes? Moreover, how can the average business man help but be a "practical" socialist when every local chamber of commerce knows that business will profit by the home town's having a more adequate public building, or improved public services? Civic coöperation brings general and individual prosperity.

Special pleaders for "Less Government in Business" too often succeed in overlooking these factors of "civic coöperation" and "community prosperity." Is it not true, perhaps, that there is a very real danger in making business men think of themselves as a "class," thus tending to shove to the background the primary claims of their civic responsibilities? The great run of business men know that they are more than a class, albeit the "most influential class." They are also citizens and consumers just like the rest of us. As such they have interests to look out for, sometimes in preference to their immediate advantage as business men.

Three essential functions of government have become well established in the United States. They consist of the government's furnishing protection to its citizens, of acting as a referee in the struggles of group interests, and of supplying economic services, when the service is of such a character that "public welfare" factors are involved. In fulfilling the two latter functions the government must be zealously alert to defend the interests of the consumer. If the government did not furnish such support, who else would?[1]

IS HOSTILITY THE BEST POLICY?

It is probably impossible to get agreement on the question of the proper bounds of governmental activity. In the end necessity will rule anyway. But supposing it is admitted that there should be less government in business. Is it the part of business statesmanship to destroy popular confidence in government, and hence discourage any further extension of its functions, by skillfully leading people to believe that American government is inherently and incurably inefficient, and that public servants serve best who serve with mediocrity or worse?

The first insidious assumption that should be discountenanced is that zeal and competence in public officials results in a loss of liberty to people generally, and to business especially. Tyranny lies in incompetence and irresponsibility. Competence and honesty are the best safeguards of the Bill of Rights and the material and spiritual welfare of the people. One salutary rule of good government is this: Give the most competent officer full power within his competence, while at the same time some permanent method is instituted to hold him responsible in the exercise of such power.

In the second place, the vulnerable spot for business' attack upon the government is the legislature, the policy-forming organ, not the administrative officer who is merely expected to faithfully discharge the law. Business has every opportunity to let congress and the state legislatures know what it wants and does not want. It makes full use of this license. Business' legitimate interest is in legislation, in laws aiming at regulation or further extension of governmental functions. There is no sound reason why business, after congress legislates, should not want the law carried out by administrative officials in the most competent, businesslike manner. The official spokesmen of business may well counsel the administrative department, perhaps, but to discourage first-rate ability and zealous service because business does not favor the laws which regulate business or put government in business, is short-sighted and injurious to the welfare of business itself.

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[1] For an able discussion of this point, see E. W. Crecraft, *Government and Business*, Ch. V.

Business can well afford a policy of political liberality.[1] Finally, it is, it appears to me, a mistaken policy to make people distrustful and cynical with respect to competence and zeal in government employees. A healthy, vigorous representative government is the best policy of anti-revolutionary, anti-dictatorship insurance which the country's most influential class could possess.

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[1] This idea is well expressed by a former chairman of the federal trade commission, E. N. Hurley, "Government—the Enemy or Ally of Business," *Nation's Business*, April, 1929, p. 22.

RECENT BOOKS REVIEWED

The Government of Metropolitan Areas. Prepared by Paul Studenski with the assistance of the Committee on Metropolitan Government of the National Municipal League. New York: National Municipal League, 1930. 403 pp.

This long awaited volume is one of the most important contributions to municipal government in recent years. It contains a mass of material regarding metropolitan areas and government, and will be indispensable to all those interested in municipal development. No study in recent years, indeed, has presented so rich a store of hitherto inaccessible material regarding a vital phase of the urban process. Mr. Studenski, the Committee and the Russell Sage Foundation are to be congratulated on this highly significant addition to our knowledge of a fundamental aspect of municipal organization. Had the 1930 census figures been available, the results would have been still more valuable, but longer delay in making public the Committee's material was doubtless inadvisable.

The reader will find in this study an analysis of the experience in practically all of the various forms of metropolitan government, in the United States, whether functional, federated, consolidated or otherwise, ranging over a wide variety of regions and periods. There is also some comment on plans proposed but not adopted. The data for determining whether a plan has been successful or not are not always satisfactory, but are always valuable for a general view of the situation.

The conclusions are crowded into two brief but important pages. These conclusions are on the whole a little inconclusive.

Otherwise the possibility of the city state might have been presented and perhaps the summary might better have been a review of the main trends—perhaps is so intended. The most important findings are 6, "The present chaos in many metropolitan areas is a summons to a broader view and higher statesmanship than has generally been displayed," and 7, "The work here presented is merely an introduction to far more comprehensive studies which the subjects will undoubtedly receive in the future."

Here is a volume that challenges the interest and attention of every serious student of government in the United States, for it touches on one of the gravest of all of the many problems of our perplexing municipal process.

Charles E. Merriam.

University of Chicago.

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Public Health Organization in the Chicago Region. By Robert F. Steadman. University of Chicago Press, 1930. 279 pp.

The metropolitan region of Chicago, with which this interesting study is concerned, comprises the vast area extending fifty miles in every direction from the intersection of State and Madison Streets in the city of Chicago. Within this artificial district are some five million people, distributed in four states, and subject, according to the author, to the executive direction and the whims and caprices of more than 1,700 local government agencies.

Excluding the governments whose interest in public health is secondary, there are said to be over 1,000 official agencies dabbling to some degree in the administration of health activities. The author regards the situation as unquestionably chaotic and proceeds to show in detail why and how much of this health work is inefficient, ineffective, and often incompetent. In the fourteen chapters, such subjects as vital statistics, control of communicable diseases, tuberculosis, venereal diseases, child and school hygiene, milk, food, and water and sewage are thoroughly discussed from the administrative point of view.

This picture of the profuse, if not always capable, health work in the Chicago region indicates that public health administration in the city of Chicago itself is relatively efficient and well done, but that outside it is only rarely carried on in a praiseworthy manner. As a solution to the problem the author suggests several alternatives, including better voluntary coöperation among health agencies, the abolition of many of the existing organizations and the consolidation of all health functions in the hands of a few suitable agencies, or an interstate compact to bring about coördination. Another possibility which is mentioned is that the region might become the forty-ninth state. The possibility seems remote.

A study such as this is all the more interesting because it has been made by a student of government and not by a sanitarian. The reviewer has often recommended that political scientists ought to possess much more knowledge about the science and art of public health than most of them now seem to display, and conversely, that sanitarians would be better equipped and more statesmanlike in their operations if they were more cognizant of the principles of government and political science. In setting up this study to occupy a middle position between these two important phases of human progress, the author has produced a commendable, valuable, and provocative piece of work.

James A. Tobey, Dr.P.H.

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The Leisure of a People. Report of a Recreation Survey of Indianapolis, conducted under the auspices of the Council of Social Agencies, financed by the Indianapolis Foundation, and directed by Eugene T. Lies. Indianapolis: Clarence E. Crippin and Son, Inc., 1929. 571 pp.

This book on the leisure of a people represents the most recent recreation survey to be published. It is also one of the most comprehensive studies which have been made.

Various sections of the study are presented and are then followed by major recommendations which give a point to the whole survey. After a treatment of the city of Indianapolis and a general treatment of the growth of leisure, a careful survey is made of the various agencies which are related to the leisure time needs of the people. The complexity of the situation as represented in an urban community is again noted. As one example, it is noted that one hundred and seventy-one different clubs have noon-day luncheon meetings totaling over four hundred meetings during the month. A thorough treatment is made of the various public agencies, tax supported, including the parks, playgrounds, activities conducted by the board of education, public library, county and state parks. Of particular significance is the fact that public agencies in the recreation field are serving a relatively small percentage of the possible numbers which should be reached. Upon the estimate of the survey committee between seven per cent and ten per cent of the school population of the children are being reached daily, but the sad point to be noted is that forty-six playgrounds in the city are only open during the summer, which means that for nine to ten months of the year practically nothing is being done in this line.

Attention is also called to the fact that over twenty-one million dollars are invested in school property and about eight million is spent annually for support. Obviously, the people have a right to expect more from these expenditures than they are getting in the way of leisure time direction. All board of education property is not being used either during the summer or during the school year to any way near its capacity. As a matter of fact, for a number of years it has not been used at all during the vacation period when its need is most vital.

The whole survey again sounds the need for more intensive organization, more designation of responsibility, more effective working together of the city and the school in this big plan.

It would seem petty to call attention to the use of the words "physical," "mental," and "moral" aspects of the child life when all of our modern psychology contends to minimize the difference between these aspects to life. Life is a unit and its mental aspects react upon its physical and vice versa, and we cannot tear the child to pieces.

The book is well written, in fact in places it sparkles, something which is quite new in the way of a survey publication. To a thoughtful reader it will certainly be very helpful in connection with seeing his way through the complex educational and leisure time problems presented by a modern city.

Jay B. Nash.

New York University.

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Fiscal Problems of Rural Decline. Special Report of the State Tax Commission, State of New York. By Ralph Theodore Compton, Ph.D., Albany, 1929. 283 pp.

This is the second report published by the New York State Tax Commission under the plan adopted in 1928 which established four research fellowships in taxation in leading universities. The present study—the work of Dr. Compton, who held the special fellowship in taxation at Yale University—is "a study of the methods of financing the costs of government in the economically decadent rural areas of New York State."

Dr. Compton's method is essentially descriptive and analytical. The first part of the report reviews the present economic situation in New York State, describes local government arrangements, and outlines the present state fiscal system. In Part II, the author reviews critically the results of the New York fiscal system, describes certain selected areas of rural decline, and presents a summary and critical discussion of suggested solutions of the problem of declining communities.

The central theme of Dr. Compton's report is that the solution of the problem of agrarian distress is to be found in the consolidation of local governments and in the development of a policy of control over land utilization. "If efficiency and economy in government and agricultural prosperity be the aims, the quickest way to bring these about is to consolidate present local functions in the counties, abolish all towns and rural school districts, and adopt the policy that will, without force, draw out of the farm area all land that is not sufficiently productive to return profits on investment as well as moderate taxes." While the author deems it desirable to reduce taxes in declining areas, he strongly believes that the more fundamental reform is the abolition of these declining areas themselves. Reforestation, setting aside waste lands, and development of recreational areas figure prominently in Dr. Compton's program.

This study is a valuable contribution to an already abundant literature on the subject of agricultural relief. But it is singularly significant for the emphasis it places on the part state and local government must play in any constructive efforts to relieve existing conditions, hitherto a much neglected phase in the discussion. The study is highly useful in that it brings together the findings and recommendations of widely scattered special studies that throw light on the general problem. The author is to be commended particularly for the vigor and boldness with which he approaches the elementary economic and political aspects of his subject.

Martin L. Faust.

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Juvenile Division of the Municipal Court of Philadelphia. By Joel D. Hunter. A report by the Bureau of Municipal Research of Philadelphia, published by the Thomas Skelton Harrison Foundation, 1930. Philadelphia Municipal Court Survey Series. 163 pp.

The fifth section of the report of the Thomas Skelton Harrison Foundation on the Municipal Court of Philadelphia relates to the juvenile division and is the work of Joel D. Hunter assisted by Annabel M. Stewart. This survey of the court was carried on under the general supervision and direction of the Philadelphia Bureau of Municipal Research acting as the agent of the Foundation.

Highly diagnostic, this study bristles with concrete and practical suggestions. Mr. Hunter took as his basis of judgment of the workings of the court, his many years of experience as the chief executive officer in the Chicago Juvenile Court and other social work agencies. The attitude of the seasoned executive pervades his treatment of the subject. This appears at the outset when he announces that there are three steps in dealing with such cases as appear before Juvenile Courts: "First, ascertain the facts; second, form a judgment as to what is to be done; third, do it." After his examination of this branch of the Philadelphia court Mr. Hunter pointed to four conditions which seemed to him to work against energetic, well-focussed and therefore successful and humane administration. These four were political influence in the court, low salaries of probation officers, lack of inspiring and competent leadership and direction of the probation staff and defective coöperation between public and private social agencies in Philadelphia. Words are not weazeled in discussing these conditions and in recommending measures of improvement. Cases to the number of 296 were analyzed and their treatment appraised. They were found to be the fruit of the tree.

As in previous reports, this one has some highly interesting footnotes in which the judge, now president of the court, comments on the surveyor's findings and the surveyor answers in rebuttal. Usually these addenda only serve further to enforce the point made in the text of the report and to add evidence of the kind of thinking that has gone into the building—or jerry-building—of this institution in Philadelphia.

This report is not scientific in the sense of having every conclusion supported by complete, irrefragable documentary evidence and of having every recommendation adduced from such evidence. Mr. Hunter observed, weighed, appraised and recommended where that seemed necessary. His statements of fact were not disputed by the court. His recommendations are of such an eminently common-sense kind and are so full of homely wisdom that they hardly permit of debate. They merit judicial notice in more ways than one.

Neva R. Deardorff.

THE MEASUREMENT AND CONTROL OF MUNICIPAL SANITATION. By the Committee on Uniform Street Sanitation Records, International Association of Street Sanitation Officials, Chicago. Tentative Draft, September, 1930. 51 pp.

Little need be said by way of introducing this report since the editor of the NATIONAL MUNICIPAL REVIEW has already described, in the September issue, the researches of the committees whose tentative report this is. The report explains the need for measurement standards in municipal sanitation, gives the standards tentatively adopted for measuring street cleaning, refuse removal and disposal, and other activities, and discusses records and procedure for cost accounting. A final report will appear, it is announced, early in 1931. Those interested in standards for the measurement of municipal functions will find in this publication the record of noteworthy progress in a difficult field. For sanitation officials it is a progress report stating the present thought on measuring and recording their work. It gives them an opportunity to study the proposals and by suggestions to aid in the formulation and adoption of practical standards and suitable records.

C. A. HOWLAND.

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THE NEW SOCIAL SCIENCE. Edited by Leonard D. White. University of Chicago Press, 1930. ix; 132 pp.

This book contains the addresses delivered at the dedication of the Social Science Research building at the University of Chicago in December, 1929. Its table of contents includes a list of distinguished names. Europe is represented by Professor Bartholdy of the University of Hamburg, Sir William Beveridge, director of the London School of Economics, and Professor Célestin Bouglé of the Sorbonne.

The articles all indicate the present ferment which is taking place in the study of the social sciences. Of special interest to the readers of the REVIEW is Professor Bartholdy's eloquent defense of bureaucracy from the viewpoint of German experience. Bureaucracy has an unpleasant sound to Americans who realize that it has usually operated against democratic control. But there is another phase to bureaucracy which is often overlooked, viz., the element of unselfish public service which a bureaucracy of high standards seeks to render. Professor Bartholdy believes that by standing for the reign of law the German bureaucracy has been a stabilizing influence between the extremes of communism and conservatism in the difficult times through which the republic has been passing.

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THE PUBLIC AND ITS GOVERNMENT. By Felix Frankfurter. Yale University Press, New Haven, 1930. 170 pp.

This book consists of Professor Frankfurter's lectures last year at Yale University upon the William E. Dodge Foundation. The chapter topics are: The Demands of Modern Society upon Government, Does Law Obstruct Government?, Public Services and the Public, and Expert Administration and Democracy.

For those familiar with Professor Frankfurter's viewpoint there is little in the book that is new. Written in the informal style of a lecture, it will be useful in increasing popular understanding of the present situation respecting government and business. Professor Frankfurter points out that the whole trend of opinion in this country is against public administration as a career for talent. Most of us still believe with President Harding that "government after all is a very simple thing." Until these notions of deluding simplicity are completely rooted out, Professor Frankfurter rightly believes, we shall never truly face our problems of government.

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CONTEMPORARY SOCIAL MOVEMENTS. By Jerome Davis. Century Company, New York, 1930. xx, 901 pp.

In the words of the introduction, this book of readings, designed primarily for college classes, presents certain outstanding European social developments and suggests certain of their effects on American life. Socialism, Communism, Fascism, the Coöperative Movement, the British Labor Movement, and the Peace Movement comprise the bulk of the book. It presents a wealth of recent material unavailable to college students in its original form and will provide useful collateral reading in classes in sociology and political ideas.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Further Studies of European Methods of Street Cleaning and Refuse Disposal with Suggestions for New York.—George Soper, report to the Committee of Twenty on Street and Outdoor Cleanliness appointed by the New York Academy of Medicine, October, 1930. 39 pp., illustrated. Dr. Soper writes on the basis of his visit in Europe this summer. He attended an international congress of municipal cleansing authorities at Stuttgart and an international hygiene conference at Dresden, inspected the large modernized refuse incinerator at Zurich and visited a number of cities large and small. He made a special study of the Italian cities, where progress in recent years has been especially noteworthy. Discussions of method and procedure, as well as demonstration of equipment, have convinced Dr. Soper that large cities and cleanliness are not incompatible. Qualified leadership, appropriate laws, police assistance, public education and a well organized, equipped and directed cleansing force, none of which is unreasonable, are the essentials for a clean city. (Apply to the Committee of Twenty on Street and Outdoor Cleanliness, New York Academy of Medicine, Inc., 2 East 103rd Street, New York City.)

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The Fiscal Situation in New Jersey.—Professor Edwin R. A. Seligman. Reprinted from the *Trenton Times* newspaper articles. Professor Seligman, in analyzing New Jersey taxation, interprets the increase of expenditures for governmental purposes and the possible reduction. He concludes that the unsatisfactory condition of the state's finances are due to excessive reliance upon the general property tax, and the lack of control of local expenditures. He recommends the creation of a tax reform association to lead the fight for a modern income tax system. (Apply to The Trenton Times Newspapers, Trenton, New Jersey.)

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Report of Special Committee on the Parole Problem, appointed by Governor Franklin D. Roosevelt, February, 1930. 37 pp. This committee, consisting of Sam A. Lewisohn, Chairman, George W. Alger, Edwin J. Cooley, Jane M. Hoey, John S. Kennedy and Raymond Moley, studied the New York parole system and concluded that "Parole in New York state has in no true sense ever been tried. It has been an underfinanced moral gesture." After stating the facts which led to this conclusion, the committee made its recommendations and supervised the preparation of remedial legislation. The recommendations embody three basic principles: a parole board of citizens in whose judgment and fairness the community will have confidence, with just compensation for their full-time services; the separation of the parole and correctional systems of the state; and the support of a sufficient staff of trained experts and adequately compensated parole officers. The objective is the preservation of human values, as well as the protection of the community. (Apply to Mr. Sam A. Lewisohn, 61 Broadway, New York City.)

*

The Better Use of the City Street with Special Reference to Parking on and off the Street.—Miller McClintock. The October, 1930 bulletin of the Planning Foundation of America. 15 pp. Mr. McClintock maintains that the chief means by which street traffic relief may be obtained are the intelligent planning and replanning of physical facilities of American cities and the intelligent control of the use of those facilities. The closer coöperation between planning agencies and control agencies is also necessary. The writer recommends as a logical development of present inadequate parking lot and commercial garage as terminal facilities, the self-contained block which will contain within it the facilities necessary to accommodate all kinds of automotive traffic as an integral part of the office buildings, hotels or other structure there. (Apply to Planning Foundation of America, 130 East 22nd Street, New York City.)

*

Our Cities and the Gasoline Tax.—Roy H. Owsley. Supplement to *The Kentucky City*, November 15, 1930. 12 pp. The gasoline tax has become an integral part of financing our road-building and maintenance program, but less than 1 per cent of the total revenue from it is available under present state laws for use in cities, either on state highways or streets. It is estimated that 60 per cent of this tax is paid by city dwellers. Benefits should be distributed at least somewhat as they have been produced. The three methods of equalization for cities are described and tables are given to show how the tax is distributed by other states. (Apply to Kentucky Municipal League, University of Kentucky, Lexington, Kentucky. Price 20 cents.)

✤

Public Utilities and the City.—J. W. Manning. Supplement to *The Kentucky City*, November 8, 1930. 12 pp. This is the speech made by Dr. Manning at the convention of the Kentucky Municipal League. He examines the rates paid in Kentucky for telephone, water, gas and electricity, comparing these when sold by the same company in different cities. He compares also the rates in cities where these services are supplied by municipally-owned plants with those of similar size supplied privately, and finds that only one municipally-owned plant charges as much as similar private plants. On the basis of these facts suggestions are made as to provisions which ought to be included in franchises, and a plea is made for administrative control of public utilities through a state public service commission. (Apply to Kentucky Municipal League, University of Kentucky, Lexington, Kentucky. Price 20 cents.)

✤

Report of the Transportation Survey Commission of the City of St. Louis, 1930.—226 pp. This survey is a thoroughgoing study of the transportation needs of St. Louis with a view to the development of a system which will make possible more efficient transaction of business and at the same time conserve and build up values throughout the city. It deals with the rerouting and improvement of street car service, coördination of street railway and motor bus service, traffic regulation and control, and rapid transit requirements. Special consideration is given to franchises and other aspects of regulation of transportation facilities. Numerous figures, tables and plates are included. (Apply to the Transportation Survey Commission, City Hall, St. Louis, Missouri.)

✤

Water Supply Control.—Charles R. Cox, New York State Department of Health. 118 pp. with tables. This pamphlet deals with the protection of water supplies from pollution, the operation of water purification plants by sand or mechanical filtration or by chemical treatment, and laboratory control of purification plants with adequate recording and sampling equipment. (Apply to Division of Sanitation, New York State Department of Health, Albany, New York.)

✤

Motor Vehicle Legislation and Taxation.—Pierre Schon. Reprinted from Society of Automotive Engineers *Journal* for September, 1930. 15 pp. with charts and diagrams. The wide range of state rulings and legal restrictions concerning sizes, weights, and taxation of commercial motor vehicles is the basis of this paper presented at the annual meeting of the S. A. E. Commercial transportation is seriously handicapped by state requirements which are unreasonable in view of tests made by the Bureau of Public Roads of the federal government. Interstate operators are often subject to double taxation. Mr. Schon recommends the Hoover Code of 1926, brought up to date with the new developments in manufacture, such as the balloon tire and improved weight distribution. (Apply to National Automobile Chamber of Commerce, 366 Madison Avenue, New York City.)

✤

Community Planning in Unemployment Emergencies.—Joanna C. Colcord. Russell Sage Foundation, 1930. 86 pp. This pamphlet, compiled by the director of the Charity Organization Department of the Foundation, endeavors to bring together the recommendations for community action to meet unemployment which have been put forth from time to time as the result of the experience of social agencies and their representatives. It includes material on the centralization of remedial measures, publicity factors, emergency committees and their work, including the gathering of facts, the distribution of employment, industrial, general, and public, and the development of resources for relief. The pamphlet also considers the relationship of such temporary measures to the work of the organized social agencies and to the value and possible activities of permanent committees concerned with employment conditions. (Apply to the Russell Sage Foundation, 130 East 22nd Street, New York City. Price, 25 cents.)

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE

Professor of Law, New York University

Contracts—Emergency Powers of Municipality.—The Supreme Court of California in *Los Angeles Dredging Co.* v. *Long Beach,* 291 Pac. 839, holds that oral contracts for emergency work entered into by the city manager without the direct authorization of the council may be ratified by a later act of such body in the manner prescribed by the city charter. Generally it is held that no power is in the city to act unless by the methods laid down in the statute conferring the power. If an alleged contract is thus beyond the power of the municipality, the more widely accepted rule is that there can be no ratification by the city authorities, no estoppel against the municipality to set up the invalidity of the act and no recovery for services or materials furnished thereunder. (*Zottman* v. *San Francisco,* 20 Cal. 96.)

The contracts in question were supplementary agreements with the dredging company and clearly such as would require emergency action and were so declared by the council in its resolution of ratification. Under these circumstances, the court holds that a failure to follow the charter provisions requiring authorization by the affirmative vote of five members of the council was not fatal and that the plaintiff was entitled to recover for the services rendered thereunder.

⁂

Airports—Limitation of Statutory Powers—Incidental Conduct of Collateral Enterprises.—The tendency to relax the strict rules limiting the exercise of municipal powers by a wider application of the rule that a power when once granted includes all appropriate means for carrying out the purposes specified is exemplified in the decision of the Supreme Court of Pennsylvania in *Wentz* v. *Philadelphia,* 151 Atl. 883. The city had negotiated for the purchase of some 951 acres, known as the Hog Island tract, from the United States for airport purposes, with reversion to the grantor upon abandonment of the trust. The statutes confer power upon the city to make such a purchase and to lease lands acquired for an airport to private corporations or individuals for the same purpose, upon such terms and subject to such conditions as may be provided.

The preamble of the contract recited that the city was desirous of purchasing the premises for use as "an airport, seaplane base and railroad and marine terminal." Wentz, a taxpayer, filed a bill to restrain the carrying out of the agreement, averring that the land contracted for was not intended solely for airdrome and airport purposes, but principally to establish and maintain a "railroad and marine terminal," which functions were beyond the powers conferred on the city, and not suggested in the title to the ordinance providing funds. It was insisted that the purchase committed the city to an unauthorized business venture, unconnected with airport uses, and, if attempted, would involve the expenditure of large additional amounts for a nonmunicipal purpose, the result being the unlawful pledging of the city's credit in violation of article 9, § 7, of the Pennsylvania Constitution.

The court holds in accord with decisions in other states that an airport is a public purpose, and that the authorization of power to acquire lands for that purpose includes the power to establish such marine and terminal facilities *as may be incidental and collateral* to the construction and operation of an airport. Until it is shown that the city is exceeding such limits, no injunction against acts designed to carry out the powers delegated will be granted.

⁂

Zoning Statutes—Mandatory Provisions.—The Supreme Judicial Court of Massachusetts in *Kane* v. *Board of Appeals of City of Medford,* 173 N. E. 1, emphasizes the requirements of the law of that state which must be strictly observed in order to warrant a variation from the standards of an established restricted district. The statute requires unanimous action by the board of appeal upon written petition after notice mailed by it to each of the property owners affected and a public hearing. The court holds that none of these acts can be delegated and that actual notice or notice given by the interested petitioner will not suffice, nor will a general written notice which does not specify the nature of the change requested.

The language used by Chief Justice Rugg to sustain this construction is as follows:

> This conclusion results necessarily from the words used in the statute. It is in harmony with the essential and dominating design of any zoning law. That design is to stabilize property uses in the specified districts in the interests of the public health and safety and the general welfare, and not to permit changes, exceptions or relaxations except after such full notice as shall enable all those interested to know what is projected and to have opportunity to protest, and as shall insure fair presentation and consideration of all aspects of the proposed modification. This is not a technical requirement difficult of performance by the unwary. It is dictated by common sense for protection of an established neighborhood to be subject to change only after fair notice. The notice issued by the respondents, the board of appeals, did not conform to these essential requisites.

It is important that the general public should better understand the principles underlying the enactment and enforcement of our zoning ordinances, and better appreciate the grave responsibilities imposed upon boards of zoning appeals. An unfortunate tendency exists in some quarters to ascribe every action of such a board to partisan prejudice or venial purposes. If our zoning legislation is to be successfully administered, the public confidence in its officials must be restored. This end can best be attained by giving the members of these important boards longer terms and more adequate salaries, and elevating them to position of independence and of honor similar to that now enjoyed by the judiciary.

✣

Street Franchises—Extent of Regulation under the Police Power.—In *Philadelphia Electric Co.* v. *City of Philadelphia*, 152 Atl. 23, the Supreme Court of Pennsylvania holds that a public service corporation, compelled to remove electrical conduits under the street to make way for a subway, is not entitled to compensation for the expense of such removal. The franchise contract in question gave the corporation the right to use the streets of the city for its system of distribution, but subject to the power of the city to regulate their location when necessary to "the laying of water or gas pipes, or sewers, or any other municipal work." The company had further expressly agreed to comply with the provisions of all ordinances regulating the construction, maintenance and extension of electrical conduits within the city.

It was not disputed that these provisions of the franchise are part of the company's contract; indeed, without being expressly set forth, they would be conditions imposed in law and necessarily affect the enjoyment of the franchise rights. The company's claim, therefore, was based upon the contention that the action of the city was arbitrary, that necessary regulation does not warrant complete exclusion and, therefore, the city's action was not justified under the police power or authorized by the terms of the contract. The court says that the reasonableness of the order must be determined by looking at the system as a whole, and that the Broad Street conduits constitute but a small part of the entire system.

A broader and better basis for the decision, however, is that the city holds the streets in trust for the public and may not permanently surrender its control over them, that every grant of their special use must be subject to resumption when necessary for street purposes. But it has been held in other jurisdictions that the use of a street for a subway is not a street purpose, so as to exclude the necessity for compensation to an abutting owner whose rights are invaded by its construction. The absolute exclusion of the plaintiff from the use of franchise rights which it was exercising in a street to make way for any public improvements which is not strictly for a street purpose would seem to entitle the company to compensation. The instant case goes to the extreme limit in justifying such action as a proper exercise of the police power.

✣

Torts—Statutory Notice Before Action for Damages.—The Supreme Court of Colorado in *City and County of Denver* v. *Taylor*, 292 Pac. 594, holds that the statutory requirement that notice of an accident must be given to the city within sixty days after securing an injury as a condition precedent to an action to enforce liability does not apply to actions resulting from negligence of its officers and employees in the maintenance of a municipal auditorium. The principal ground for the court's decision is that such a building is not included within the words of the statute which refers to "injuries upon any of the streets, avenues, alleys, sidewalks or other public places of the city."

This construction of the statute is in accordance with the familiar rule that the meaning of general words is controlled by the specific words immediately preceding, the evident intent of the legislature being to restrict the general words to the same class as the specific. All the words of a statute must be given effect and the specific words would be meaningless if not taken to limit the general words immediately following.

Statutes requiring notice of injuries as prerequisite to actions of tort are generally construed to require only a reasonable compliance. Thus, compliance may be excused because of physical or mental incapacity of the injured person, or because the notice would be futile. (*McDonald* v. *Spring Valley*, 285 Ill. 52; *Forsyth* v. *Oswego*, 191 N. Y. 441.)

The court also points out that the liability of the municipality in the instant case is a common law and not a statutory liability. The court holds that the auditorium is primarily a place of resort for the instruction and entertainment of the residents of the city and is, therefore, to be considered, so far as liability in tort is concerned, as a private rather than a public enterprise.

✣

Streets and Highways—City Plan—Action by Property Owners Outside the City Limits to Enjoin Vacation of City Street Giving Access to Their Property.—One of the most important problems of the rapidly growing modern city is that of control of the development of outlying districts.

Many cities now have the statutory power to control the planning of subdivisions outside the municipal boundaries, either through the exercise of the police power, the power of eminent domain or the control of dedication, by requiring that plats of all subdivisions of lands adjoining the city must conform with the city plan, be approved by city officials and be filed in the office of the recorder of deeds. The construction of the powers thus given and the effect of their exercise upon the rights of landowners have been adjudicated in several cases and the constitutionality of the legislation sustained. But there has been little discussion of the rights that may accrue to the landowners who have been obliged to conform to requirements of such statutes. Therefore, the recently reported decision of the Court of Appeals of Ohio, [Hamilton County] in *Messinger* v. *City of Cincinnati*, 173 N. E. 260, raising some unique questions, is of more than passing interest.

The plaintiffs had platted their property lying outside the city limits in conformity with the requirements of the statute and the regulations of the Cincinnati planning commission. Among the streets shown upon the city plan to which the subdivision plat was compelled to conform was the extension of a short city street called Teakwood Avenue, which street was already opened to the city line where plaintiffs' property began. At the end of Teakwood Avenue was a concrete curb. The plaintiffs applied for a permit to cut this curb, in order to proceed with the extension of Teakwood Avenue through the subdivision, as platted. This permit was first given and then canceled by the officers of the city.

The council then proceeded to pass an ordinance vacating the extreme fifteen feet of the street. The statute required the publication of notice of the pendency of the ordinance to the act of vacation, which requirement could be dispensed with upon written consent of the abutting owners. Publication was dispensed with on the theory that the consent of the abutting owners on the north and on the south was the consent of all the abutting property owners, and, therefore, that publication was not required under the statutes.

The court held that the plaintiffs owning the land at the stub end of the street were abutting owners and that actual notice to them and their appearance to oppose the passing of the ordinance did not satisfy the statute. As to the right of the plaintiffs to maintain the action the court said:

> The next proposition is the question of the capacity of the plaintiffs to maintain this action, since their property lies wholly outside the corporate limits of the city of Cincinnati. This question is not without difficulty. At first blush, it would seem that a non-resident of the city would have no capacity to interfere in the control of council over the streets, which control is given it by the statutes. However, we are confronted with section 3586–1, General Code, giving the planning commission, an administrative body of the city, jurisdiction over subdivisions outside the city limits. The constitutionality of section 3586–1, General Code, is not before us. We, therefore, consider this case in connection with the power given the planning commission under the section.
>
> This section requires the submission to the planning commission of the plat of the subdivision, and the approval of the plat before the recording thereof. The section provides that the planning commission "may adopt general rules and regulations governing plats and subdivisions of land falling within its jurisdiction to secure and provide for the coördination of the streets

within the subdivision with existing streets and roads or with the city or village plan or plats," etc.

We, therefore, have the situation of the planning commission requiring the plaintiffs to plat their subdivision and requiring the coördination of the streets of the subdivision with existing streets, which in this case would be the extension of Teakwood Avenue, coördinating with the existing Teakwood Avenue. The city, through one of its administrative bodies, required plaintiffs to conform to Teakwood Avenue, and provide for its extension, while another body of the city seeks to prevent and to take away all rights thereunder by cutting the street at the corporation line. This action appears to this court to be inequitable and unfair to plaintiffs. They acquired equitable rights by reason of the action of the planning commission, in so far as it affects their subdivision and the ingress and egress thereto. . . .

It is argued that the plaintiffs had other access to their property from the south side. That this would not give proper access to a subdivision requires no argument. The closing of Teakwood Avenue would deprive the plaintiffs of their main entrance to their subdivision, which entrance was provided for and the street dedicated upon the demand of the planning commission of the city of Cincinnati.

Enough has been said to show that the plaintiffs have such an interest in the matter as would give them legal capacity to challenge the validity of the ordinance which vacated and closed the street.

The only case cited by the court showing a similar state of facts was that of *Gary* v. *Much*, 160 Ind. 26, in which the Supreme Court of Indiana held that the city of Gary could be enjoined against closing the city's half of a highway by owners of land outside the city which lay on the opposite side of the street.

Whatever may be said upon the construction of the statute prescribing the method of vacating the street, there can be no question of the correctness of the equitable principles upon which the decision rests. The owner of lands outside the city who has been compelled to conform to the platting of his subdivision to the city plan should be protected against any changes by the city that will work irreparable injury to his property. This protection should be defined by the statute which confers upon the municipal corporation the extraordinary extra-mural powers necessary to render the city plan effective.

NOTES AND COMMENT ON MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER

The 1930 British Drainage Act.—The Drainage Act of 1930, recently passed by the British Parliament, should be of considerable interest to students of municipal affairs throughout the United States. The new act follows in general the recommendations of the Report of the Royal Commission on Land Drainage submitted in 1927, the thesis of which may be stated tersely—centralization of authorities having to do with land drainage.

The act places the drainage of watersheds under the jurisdiction of catchment boards—a board for each "catchment area." These boards are really mixed commissions, consisting of representatives of the ministry of agriculture and fisheries and county councils and county borough councils within the region. It is proposed to divide the country into catchment areas following the natural limits of the watersheds, and to subdivide each catchment area into internal drainage districts. Thus, the control of the drainage system of each catchment area is vested in a single authority, upon whom responsibility can be enforced.

The drainage boards, or the subordinate organizations within the catchment area, are authorized to make by-laws and regulations for securing the efficient working of drainage facilities within their districts. Since minute regulation of the type necessary for the adaption of the policies of the catchment board to local conditions are obviously not best provided by the larger authority, this provision cannot be criticized. Complete power over objectionable local ordinances or regulations is reserved, of course, to the larger authority and the central government.

From a very early date the expenses of land drainage costs were levied upon a rigidly applied benefit principle. The 1930 statute introduces a new basis, which, however, is made optional. Under this act the whole of the land in the catchment area may be called upon to contribute, on an annual rental value basis, toward the costs of what may be called the "regional" or main drainage works; this applies chiefly, of course, to drainage work on the river which forms the center of the watershed. The theory of benefit is still preserved, but less rigidly applied, as the subordinate areas may obtain revenue for local approved projects in any manner which the laws permit.

It is left to each county or county borough authority to decide whether the amount payable by them to the catchment board for the provision of local facilities may be defrayed as expenses for general county or borough purposes, or by apportioning it upon benefited property as the councils think just. In other words, the councils may decide whether the item should go in the general budget or be specially assessed. As Mr. A. Bebbington, clerk of the Doncaster District Drainage Board says, "Having now got a modified theory of benefit and the principle established that matters relating to land drainage in a catchment area should be placed under the control of one authority, we may perhaps hope for the principle to be extended, and after the catchment area boards are set up they will be endowed with complete powers not only with regard to land drainage, but also for preventing the present regrettable abuse of water courses and for dealing with the allocation of water supplies in this country."

There is an entirely obvious moral to this action on the part of the British government. New York and New Jersey are at the present time engaged in litigation, which already has cost New Jersey more than $350,000 in attorney's fees, over precisely such points as these boards will be expected to deal with. Is there any real reason, except for juristic objections, why the federal government should not create boards of this type when its authority might be established by a certain liberality in the construction of the commerce clause? That long-suffering pronouncement has covered far less constructive extensions of federal authority than the creation of such boards might effect. Or perhaps the navigable waters provisions might be invoked. It has been utilized as the legal sanction for logrolling and spoils legislation for the improvement of streams which were neither navigable nor capable of being made navigable, and which is without even the apparent commendability of the proposed extension.

The principle of centralization will bear further investigation, whether it involves Boulder Dam, the Passaic Valley Sewerage District, or more clearly municipal projects. —*The Municipal Journal*, November 28, 1930.

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Gesamtstädt Krefeld-Uerdingen.[1]—One of the most interesting of the recent municipal government acts in Germany is the Krefeld-Uerdingen union, consolidating, under a limited agreement, the more important metropolitan functions of two prominent Rhine *hafenstädte*.

The agreement governing this union prescribes in some detail the purposes for which the *gesamtstädt* is created, and thereby establishes a functional limitation for the new corporation. It should be noted that this is somewhat of a departure from established German precedent, as functional allocation is more ordinarily a task left to the governing body of the new region—as was the case in the Frankfurt-Höchst and the Berlin unification laws. It is probably correct to say that the new unit is to administer in their entirety gas, water, electricity, harbor administration and improvement, schools and libraries, municipal baths, markets and slaughterhouses. The remaining municipal functions are to be retained by their present authorities.

Another interesting feature of the act is that an agreement which Uerdingen has with the communities of Hohenbudberg and Kaldenhausen is preserved under the new alignment, but with the obligations and privileges under the contract inuring to the new *gesamtstädt*. This agreement is for the supply of certain services to the two suburban areas, and because of the new functional allocation, is capable of fulfillment only by the regional administration. The total effect of these dual relationships is to produce a unique amphibian in metropolitan government, in which the relation of two of the areas (Krefeld and Uerdingen) is organic, that of the two other areas and the *gesamtstädt* purely contractual, while Hohenbudberg and Kaldenhausen have no legal relation whatever with each other or with the Krefeld or Uerdingen corporations. Here indeed is a problem for Gierke.

Krefeld is, of course, the larger and dominating unit in the consolidation. The council of the new city is to be composed of 54 members, of which 48 are from Krefeld and 6 from Uerdingen. The mayor and deputy-mayor of the *gesamtstädt* are the corresponding officers, respectively, of Krefeld, who hold their posts under the two governments concurrently. The lord mayor of the new city is the present mayor of Uerdingen. He is contemplated to be primarily a ceremonial functionary. It is difficult, under the present arrangement, to conceive of him being anything else.

The original districts, now called *bezirke*, are governed by councils numbering 53 in Krefeld and 26 in Uerdingen, which number includes the *gesamtstädt* council members elected from each *bezirke*. Thus, 48 of Krefelds 56 district councillors, and 6 of Uerdingen's 26, are also members of the council of the regional government. This provision is identical with the dual seating provision in the Berlin *bezirke* and *grossstadt* councils. The dual rôle of the mayors, however, is an arrangement peculiar to this extraordinary union.

Many adjustments concerning particular phases of local activity have had to be evolved before getting the new unit in acceptable operating order. This is true not only of indebtedness, but of many other departments of administration. For example, under the new plan for transit and highways executed for the entire region, it has been necessary to transfer certain county roads from the county in which Krefeld is located, to the *gesamtstädt*. The Krefeld street railway, which for some time past has extended into Hohenbudberg, Uerdingen, and adjacent areas has had its capital financing readjusted. These difficulties, which have proved the nemesis of many programs of joint action in the United States, have apparently been acceptably arranged, and the regional government is starting off under no particular handicaps except its own ponderousness.

There are a number of criticisms which may be made of this type of consolidation. It is geographically piecemeal. The new organic union does not cover the whole of the metropolitan area. The functions transferred are inadequate to the execution of regional planning and regulation in comprehensive fashion. The present limited consolidation probably will deter geographical and functional expansion when the time comes for a new unification.

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[1] This note is a summary of a portion of a study on recent developments in metropolitan government in Europe, undertaken by the editor under the auspices of the Arnold Foundation of Houston, Texas. The writer wishes to acknowledge his obligation to Ministerialdirektor Dr. Victor von Leyden, of the Preussisches Ministerium des Innern, for valuable assistance.

There can be little real point, it seems to the writer, in providing for the expansion of services on a regional scale without eliminating the elements responsible for uncertainty and precariousness under the present joint-contract scheme. Patently, there can be no certainty in the development of transit, gas, electricity and water services while Hohenbudberg and Kaldenhausen are still able to throw the plans for expansion completely out of gear by recension of contract, or by recalcitrancy as to the details of the proposals which affect them. It may be argued, probably with some accuracy, that these possibilities are more academic than imminent and of more juristic than practical significance. At the same time, German local government is not without its shining examples of the difficulties which arrangements of this sort engender.[1]

This consolidation is doubly significant, not only as an experiment in the internal mechanics of unification, but as a striking indication of present day tendencies in German municipal theory—a substantial manifestation of predominant thought on regionalism and self-government. The small units are preserved. The regional government, on the other hand, is given complete powers in certain matters of larger regional importance and interest. Disregarding, for a moment, the clumsy and complicated nature of the organic-contractual bases of the relationships between the units, the thesis of the act is quite acceptable. The *selbständigkeit* of Uerdingen, for example, in matters of purely local importance is constitutionally preserved. Meanwhile, the government of the region by an assembly constituted solely on the basis of population prevents obstructionism and delay in regional matters. The constitutional guarantee, alterable presumably only by legislative enactment, creates a rigidity and circumscription of regional functional expansion which may or may not be commendable.

The duality of administrative personnel, as well as the success in the utilization of two distinct bases of common action, will be observed with interest in this country. It should be noted, however, that in certain of the aspects mentioned above, the consolidation runs counter to almost every extant dogma of administrative reform, although this does not necessarily constitute a legitimate criticism.—*Ortssatzung* in pursuance of the *Neugliederungsgesetz* of July 29, 1929, and the *Städteordnung für die Rheinprovinz* of May 16, 1856; *Vortrag zwischen der Stadtteilen Krefeld und Uerdingen*, 1930.

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"Conclusiones."—The Sociedad de Arquitecturos de America, recently assembled in solemn conclave in Rio de Janeiro, gave utterance to a list of *conclusiones* which will bear consideration. The assembly delivered itself on several *temas*, but the most important concerned public housing, urbanization and housing, and planning generally. A rough translation of several of its pronunciamentos follows:

1. The Society recognizes that urbanization has produced a demand for a departure in ideas and ideals of architectonic composition. It asserts its obligation to meet this new need by the evolution of a new aesthetics of urban building.

2. The Society is aware that the major problem in modern architecture doubtless will be the provision of economic residential facilities. In this connection it urges:

   (a) Regulation of a rigorous character, or outright assumption of the duty of providing these facilities, by public enterprise, motivated by consideration of *asistencia social* rather than benefit.

   (b) Careful consideration of this phase of housing as an instrument of municipal reconstruction (deconcentration and recentralization).

   (c) Encouragement of coöperative construction, and the development of European practice in many respects, such as the common provision of certain facilities—nurseries, laundries, or even common cooking quarters, baths, etc., as the economic situation demands.

   (d) Rigidly enforced zoning provisions for the preservation of property values, and for the avoidance of blighting through changing land use.

3. The Congress reaffirms its faith in the desirability of forming new suburban nucleii, but stresses the fact that unless these new areas of habitation are carefully planned and regulated, the worst features of congested living undoubtedly will reappear. There is little advantage in moving populations from central congestion to create suburban congestion.

4. The Society demands planning and zoning

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[1] See, for example, Dr. W. H. Dawson's *Municipal Life and Government in Germany*, p. 117 (rev. ed.).

boards with substantial autonomy in regulating building and land use, and the utilization by these boards of technical assistance in formulating principles of urban development.

5. In connection with, or in lieu of—momentarily—its other suggestions, the Society urges the arbitrary expropriation or reservation of 10 per cent of the total superficial area of newly developed sections for the purposes of parks, playgrounds, etc.

There is an agreeable precision about the thinking of the Congress; people who know all the answers are invariably comforting. At the same time, it is questionable whether the laws of urbanization about which the Society discourses so glibly are anything more than the most half-baked hypotheses at the present moment. The philosophy of the Congress is disappointing. Its discussions are largely recursive of the thing which Mr. Jacob Crane decried in this REVIEW not many months ago—"We city planners and the others who hate the modern city. . . ."

The point most constantly recurring throughout the proceedings—the necessity of pre-planning—deserves attention. Mr. Mencken has described urban growth without pre-planning as "loathsome." He says further that, "It seems incredible that mere ignorance should have achieved such masterpieces of horror. There is a voluptuous quality about it. It looks deliberate." The language may or may not be unduly drastic. Mr. Mencken was speaking particularly of the Pittsburgh hinterland.

At any rate, the real accomplishment of the physical planning of urban areas probably lies in the regulation of the opening of new developments. This immediately involves the problem of annexation, consolidation, and kindred perplexities, to which not even Dr. Studenski knows the answer. Perhaps there is no answer, but the new areas must be planned and regulated. This aspect is one of the strongest arguments for the creation of a regional authority—the necessity for a planning agency which can take care of a suburban area until it becomes sufficiently developed for annexation. There are equally cogent arguments against imposing another administrative level, and more importantly, another taxing authority, upon an already too complicated system. How to do it?

The solution proposed by the Congress, which presumably calls for state action or an unprecedented extension of the extra-territorial powers of cities, is a juristic impossibility in most cases, and probably undesirable even if it were possible. Too, the *arquitecturos* are incurably idealistic. Their idea of the new suburban nucleus is dominated by rock gardens and Grecian urns. It bears the same relation to reality that a Watteau does to Radburn. And as another Hispanic philosopher said, in his "Conclusiones," "The real is sometimes more ideal than the ideal of the idealist."—*Arquitectura, Año* 16, No. 152.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY RUSSELL FORBES

Secretary

SUMMARY OF ACCOMPLISHMENTS IN 1930

Boston Finance Commission.—Under the leadership of the new chairman the Commission formulated and has carried out a new policy in regard to its investigative methods and the making of reports. It was customary for many years to give publicity to practically all reports immediately on issuance. The result had come to be that mayors in their public replies disregarded the merit of the reports in an effort to make it appear to the public that their administrations were not as bad as these reports pictured them. Less and less lasting good, therefore, came from the work of the Commission.

In the past year it has become the practice to make reports to the mayor without publicity, at the same time furnishing a copy of the report to the head of the department involved. Under this policy the following results have been accomplished: Reorganization of the personnel and administrative methods in the Long Island Hospital; some personnel changes and improvement of administrative methods in the house of correction at Deer Island; extensive changes in the practices involved in the charging for and collection of water rates; radical improvement in the administrative methods of the public buildings department; adoption of the policy by the law department to refuse to settle, without court trial, damage claims due to defects in highways; and careful check-up by inspectors engaged for the purpose on the quality and measurement of pavement installed for the city.

In addition, the Finance Commission has made, with the assistance of a specially organized committee, an extensive investigation of the administration of the school department and the department for the construction of school buildings. Another study of importance on which final results have not yet been obtained is the matter of the purchase of fire apparatus for the city. As a result of the Commission's activity, a special committee will soon undertake a study to determine the advisability of the city clinging to a standardization scheme adopted originally before 1920.

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Buffalo Municipal Research Bureau, Inc.—The Bureau has spent practically the entire year of 1930 in making a complete survey of the Buffalo public school system. This survey was requested by the local board of education on February 11, 1930. The United States Bureau of Education at Washington, has been coöperating with the Buffalo Bureau mainly on questions relating to the educational features of the school system, while the Bureau staff, with a number of outside specialists, has handled the business side. The survey cost in the neighborhood of $25,000 and was entirely paid for by the Bureau.

While the school survey monopolized almost all of the Bureau's time and effort during the year, the Bureau did find time to keep actively in touch with all important current activities of other municipal departments, and to give, during the spring, a series of twenty radio talks on civic problems. The Bureau resumed these talks on October 7 and has appeared every Wednesday evening since over Station WKBW for a fifteen-minute discussion of matters of local civic interest.

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California Taxpayers' Association.—Out of a total staff of twenty-eight, fourteen are in the research department of the Association and are working on methods and procedures for the improvement of state and local government.

A significant development in the research methods of the Association has taken place during 1930. It is in the establishment of units of measure for many governmental functions. At present most of these are unit costs; however, units of production and unit loads have, in certain instances, been standardized. The primary purpose of ascertaining unit costs in the seventeen established state institutions (curative, correctional and benevolent) was for making the budget. The study used the operation cost as a basis, determining the total unit cost per year to maintain each inmate; this excludes depreciation, capital outlays, interest and redemption on bonds. Two different classifications were used in breaking down the cost factors. A period of twelve years was covered.

In the case of collegiate institutions new units were developed for measuring the work undertaken and work accomplished by the students. The first is based on the enrollment hour, and the second on the credit granted. During the past year these units of measurement have been applied to the cost of instruction in all the state-supported colleges, including the University of California, the seven state teachers' colleges, and now are being used in a junior college survey.

The research department made a comprehensive study of the University of California with an analysis of the growth from 1918 to 1929 and of the unit cost of instruction during the fall and spring semesters of 1928–29.

Standards of measurement of teacher loads or volume of work assigned a teacher are now used extensively by the Association for school grades, one to fourteen inclusive.

As a further part of the general activity in the study of the state government, a detailed analysis was made of the state prisons at San Quentin and Folsom. The purpose was to outline the need for providing employment for state prisoners, which will aid in their rehabilitation, their maintenance and the support of their dependents.

The work of the research department during 1930 for the local governmental units was largely in the counties of Fresno, Solano, Kern and San Diego. A total of eighty reports have been published during the past year.

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Citizens' Research Institute of Canada.—The Institute during 1930 conducted an administrative and financial survey of the township of York, a suburban area of the city of Toronto with a population of about 60,000; an administrative and financial survey of the town of Riverside, one of the border municipalities opposite Detroit; and an administrative survey of certain departments of the city of Port Arthur, Ontario.

The Institute acted in an advisory capacity in the reassessment of all buildings in the city of Port Arthur. It also made a study of the effect of double taxation of dividends under the Income War Tax Act; conducted the annual cost-of-government-in-Canada study—dominion, provincial and municipal; made a study of the relation of taxation to production in Canada, with a summary covering the period 1922–28; and made a study of the highway expenditures by Canadian provinces in the period 1920–29 and the relation thereto of revenue from motor vehicle licenses and from the gasoline taxes (not yet completed).

Information as to population, assessment, taxes levied, tax arrears, debenture debts, with details as to purpose, sinking funds, etc., were obtained and compiled on a total and per capita basis for all the urban municipalities in Canada with a population of 400 or over and for the more important suburban rural areas, also similar information for the provincial governments and the Dominion government. These were published for use of subscribers to the *Financial Statistics Service*.

The annual conventions of the Canadian Tax Conference and the Canadian Civil Service Research Conference were arranged for and held in Toronto, at which matters relating to Canadian taxation and governmental affairs were discussed. The tax convention this year dealt largely with questions of assessment. Printed *Proceedings* are available to non-members at $2.00 per copy.

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Bureau of Business and Government Research, University of Colorado.—The first police training school was held at the University May 5 to 16 inclusive. Total enrollment was forty-eight peace officers, representing ten different cities. Twenty-one officers completed the full two weeks' course. The first fire college was held in Denver, May 27, 28 and 29. One hundred and fifty-five firemen enrolled for the three days' course of training.

The Bureau issued a report entitled *General Trends in State Government Expenditures in Colorado* which has been printed as a University bulletin. The Bureau collaborated with J. P. Jensen in making a survey of Colorado's state tax system for the Denver Chamber of Commerce. The result is a printed document containing 216 pages.

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Des Moines Bureau of Municipal Research.—The Bureau is acting in an advisory capacity to a committee composed of representative citizens which is formulating a ten-year master budget. Based on a report by the Bureau showing that the insurance carried on the voting machines was much higher than their valuation, the county board of supervisors reduced the policies materially. Upon the suggestion of the Bureau, the county board of supervisors made a contract for buying drugs for the various county institutions at a large saving under the former cost.

The Bureau made an exhaustive investigation of the local method of garbage collection and disposal. This report showed that the expense of the present collection system by motor trucks, which necessitates the service of three men per truck and long periods of inactivity while hauling to the disposal point, could be reduced by the tractor-trailer system. The Bureau opposed a proposal that the city haul its garbage to a local hog-feeder which would involve an increased expense in additional mileage for truck hauls.

The Bureau and school board worked out a plan to level off the annual requirements of the present outstanding school debt, establishing an annual amount about the same as the 1929 school debt charge. This plan obviates some refunding of school bonds, although a considerable amount of refunding is still necessary.

The Bureau prepared a report showing that 48 per cent of the total real and personal property tax collections levied in the state is paid by the Iowa incorporated cities and towns on only 31 per cent of the assessed valuation, and pointed out that the larger share of the proposed income tax would be borne by the cities and towns.

The Bureau checked both the city and county election expenses and supported the city purchasing agent in his effort to insist that election printing be awarded upon competitive bids, which was done. The 1930 city election was one of the most economical ever conducted here. The county auditor showed far less willingness to coöperate in cutting the county general election expenses with a result that it still involves considerable waste, although a few economies were introduced.

As this is the first year of the installation of the budget system for Polk County, the Bureau gave considerable attention to its manner of preparation and installation. A member of the state budget director's staff assisted the county auditor in installing the first county budget system.

Inspired by an adverse report made by a federal milk inspector regarding Des Moines conditions, a revision in the present city milk ordinance was presented to the city council. The Bureau coöperated with the city health commissioner in obtaining information from numerous cities which revealed that Des Moines milk in richness and in bacteria count rated as well as that in other municipalities.

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Detroit Bureau of Governmental Research.—The most interesting development in the work of the Detroit Bureau during the current year has been the activity of the committee on city finances, of which the Bureau director serves as secretary. This committee is an outstanding example of the influence of organized business and industry in effecting a reduction in governmental expenses. About a year ago, Ralph Stone, chairman of the board of the Detroit Trust Company, spoke publicly of the obligation of the city to curtail its expenditures in these troublesome times. The common council immediately suggested to Mr. Stone the appointment of a committee of business men to aid that body in its consideration of the budget. In consequence, Mr. Stone appointed the presidents of eight outstanding business organizations including the Detroit Bureau.

This committee called into consultation the city budget director and department heads, and also had before it the continuous study that the Bureau has made of the budget over fifteen years. In consequence, the committee was able to make specific recommendations to the mayor and common council for reductions in the budget covering both operating expenses and capital improvements. It is, of course, impossible to estimate precisely the resulting reductions in the budget, but there is no doubt that the public opinion created by the committee upheld the common council in making drastic alterations. A well-written story of the committee's activities appears in *Nation's Business* for November, 1930.

The committee has continued holding meetings throughout the year, giving consideration to numerous problems. It is now preparing for work in connection with the forthcoming budget, which presents unusual difficulty because of the existence of a very large operating deficit, occasioned largely through welfare relief granted during a period of unemployment—an expenditure which has not been fully provided for in advance in the budget.

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The Civic Affairs Department, Indianapolis Chamber of Commerce.—The Department in 1930 completed its eighth year of participation in the formulation of public budgets for all departments of local government. This year, for the first time, official resistance to "meddling" by taxpayers was entirely absent, and there was the fullest coöperation between the Chamber's investigators and committee, and the public officials. As a result, the Chamber was of aid to officials in paring more than $900,000 from expenditures proposed for 1931, and in making possible a small reduction in the 1931 total tax levy.

The Department has had a large part in the community's plan for unemployment relief, having participated in the development and placing into operation of a scheme of "made work" by which a large part of the expenditures for charity will be used this winter in payment for labor in public departments on projects that had been planned by department heads but excluded in the reduction of 1931 budgets. The director of the Department has served as secretary of the commission for stabilization of employment.

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The Bureau of Municipal Research, University of Oklahoma.—The Bureau was completely reorganized early in 1930 in order to give better service to the municipalities of the state. James W. Errant, assistant professor of government, was placed in charge and he devotes approximately one-third of his time to the Bureau work. Larger quarters with improved facilities were placed at the disposal of the Bureau. Municipal research, which was formerly carried out by advanced students under the direction of individual professors, is now centralized in the Bureau. A study of garbage and waste collection and disposal will be completed early in 1931. A comprehensive municipal yearbook of Oklahoma is now being compiled and will be ready for publication during the summer of 1931.

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Bureau of Governmental Research, Kansas City, Kansas Chamber of Commerce.—A detailed analysis was made of the recommendations for the improved administration of the tax laws of Kansas contained in the report of the Kansas Tax Code Commission. The Bureau study has been used as the basis for recommendations by a committee of the Chamber of Commerce for their legislative program for 1931. The recommendations include: Statutory changes to make the county the unit of assessment; appointment of a qualified assessor for an indeterminate term; and disapproval of state review of local tax levies and bond issues.

An analysis of the city budget was prepared and was used by committees appointed from the membership of the governing board of the Bureau for informally discussing with each city commissioner his budget requirements for 1931. These negotiations contributed to a total reduction in the city tax levy of about $200,000.

A report on the bonded debt of the city presents in a comprehensive fashion the history of the bond operations of the three local governmental units for the past ten years. The major recommendation is a long-term improvement budget.

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Kansas City Public Service Institute.—A thoroughgoing survey of all public and private health and hospital agencies was undertaken during the summer for the Chamber of Commerce health and welfare committee and under the direction of the committee on administrative practice of the American Public Health Association. The survey is not quite complete, but it is expected that the report will be rendered some time in January.

A report was prepared for the civic improvement committee covering the financial operations of the local governments of Kansas City during the past ten years and estimates for the next ten years. The report covers both operating and capital expenditures, receipts from current revenue, from bond funds and other sources. It analyzes the bonded debt and estimates the amount of bonds which may be issued during the next ten years within certain tax limitations.

Studies in connection with the county government are part of a larger study involving the question of city-county consolidation or regional government. The immediate objective is a reorganization and simplification of the existing form of government in Jackson County.

Further studies have been made during the year on the operation of the permanent registration of voters system in a number of other cities. Activities in the latter part of the year were devoted towards helping in the drafting of a bill which will give a satisfactory form for Kansas City.

Under the state constitution Kansas City may pension only policemen and firemen. Firemen have had a pension system for a number of years, but it is a cash disbursement system in a very unsatisfactory financial condition. Efforts are being made to secure the adoption of legislation reorganizing the firemen's pension system and providing a police pension system on a sound actuarial basis.

Kansas City's police department is operated by a board appointed by the governor. The Institute has been active for years in endeavoring to secure local control. Pending home rule, the Institute has drafted a bill which would attempt to relieve the strained situation existing between the administration of the police department and the city council and the city manager, and to provide a greater degree of freedom to the local police board in organization and operation of the police force.

One important piece of research work, in which the Institute was not involved, was the traffic survey. A traffic survey, which required a year for completion, and which cost more than $30,000, was made under the direction of the city-wide traffic committee, composed of forty representatives of official departments and civic bodies. A plan for traffic control, based on standards developed by the National Conference on State and Highway Safety, was developed, and a traffic code prepared, which is now pending in the city council. The survey was directed by Miller McClintock.

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Bureau of Budget and Efficiency, City of Los Angeles.—A careful survey was made of the city clerk's office. An analysis of the organization and legal limitation under which the police department and building and safety department were operating resulted in the street traffic engineering functions being consolidated in a new bureau of the police department. All appropriations of funds derived from motor vehicle registration and motor vehicle fuel tax by the county of Los Angeles to the city of Los Angeles were thoroughly analyzed and a system of accounts set up in the bureau of engineering to continuously provide information in connection with these appropriations.

A detailed study of fire hydrant rental services rendered the city by various suburban water companies resulted in contracts being made at definite fixed rates. Investigations into such items as overtime, street maintenance and material costs, estimates of costs in connection with engineering fee work, and methods of labor, have been continued. An investigation with a view of ascertaining whether or not economies can be effected by having the city carry its own insurance on city properties is in progress. The organization and operation of the department of playground and recreation is being reviewed with the thought of setting up definite measurements and comparative costs of various services. A survey of the department of water and power, which will require approximately two years for two men to complete, has been started.

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Milwaukee Citizens' Bureau.—A proposed condemnation and special assessment law has been prepared to be submitted to the 1931 legislature. The common council accepted the offer of the Citizens' Bureau to pay the professional fees of a valuation expert to assist the city attorney's office in drafting this bill. Pending the enactment of an adequate law, all city street-widening projects have been at a standstill—partially during 1927 and 1928, and absolutely during 1929 and 1930.

A compilation of the major financial transactions of the city during 1920–29 inclusive was prepared. This is to serve as the basis for a long-term capital budget. Other studies were: speeding up of construction under the school board five-year building program; non-resident school pupils survey; third annual revision of curb set-back plan; further installation of simplification of property description by key numbers and letters so as to use the addressograph in the preparation of the tax roll and tax bills; and drawing of unit-foot valuation maps.

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National Institute of Public Administration, New York City.—The bulk of the work of the Institute during 1930 has consisted of field work and technical advisory service. The research staff of the New York State Commission on Old Age Security, under the direction of Luther Gulick, completed their report of 692 pages, published as *Legislative Document, 1930, No. 67.* A survey of the administrative structure of the state government of Arkansas was made for the governor by A. E. Buck and Philip H. Cornick. The Chicago police survey, prepared for the Citizens' Police Committee of Chicago under the direction of Bruce Smith, is to be delivered to the committee on January 1, 1931. The survey of the government of the state of Maine, conducted for Governor William T. Gardiner by the entire staff, has been printed both by the press and in pamphlet form. Dr. Carl E. McCombs has made a study of public welfare administration in Delaware for the state board of charities and the Taxpayers' Research League of Delaware. William Watson is continuing his work for the ministry of finance in China.

An unusual phase of this year's activity has been promotional work especially for the Committee on Uniform Crime Records, which culminated in legislation passed in Washington, and the old age assistance program which was adopted unanimously in both houses of the legislature in New York and goes into effect on January 1, 1931.

The training school program was continued in coöperation with Syracuse and Columbia University.

The members of the staff have been called upon to serve in connection with special committees of the Social Science Research Council, the National Municipal League, the American Statistical Association and similar groups.

The funds expended under the direction of the Institute and its staff members during the present year totaled $200,000. This gives an indication at least of the quantity of the work carried on.

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Philadelphia Bureau of Municipal Research.—During 1930 eight reports of Bureau studies have been completed and published. Seven of these are the outgrowth of a survey of the municipal court of Philadelphia which the Bureau has made as agent of the Thomas Skelton Harrison Foundation. These reports, which have been published by the Foundation, relate to the history and functions of the court, auditing control, purchasing procedure, domestic relations division, central registration bureau, juvenile division, and filing of social case records. The eighth report, entitled "Municipal Salaries in Philadelphia, 1915–30," summarizes the results of various salary studies which the Bureau has made during the last fifteen years. In addition to these more elaborate reports the Bureau has continued the publication of its weekly periodical, practically every issue of which is a public report on some phase of municipal problems which the Bureau is studying.

If we view the year's accomplishments from the standpoint of the Bureau's influence on public affairs, we have to deal with a less tangible subject, but several events may be reported. In the first place the city has finally established prequalification for contractors' bidding on city work. The suggestion that this be done was urged originally by the Bureau upon the mayor's citizens' committee on city contracts, was recommended by that committee, and was kept before the public in *Citizens' Business* until it was officially adopted in a manner acceptable to the courts.

Upon public representations by the Bureau that the city was headed for grave financial difficulties, the mayor appointed a citizens' commission of fifteen members to make a survey of the city's finances and to recommend appropriate measures for official action. While this commission has not had funds for extensive investigations of its own, it has given consideration to various recommendations made by the Bureau and in a preliminary report issued early in December expressed approval of a number of those recommendations. One of them relates to the consolidation of city and county departments under single budgetary and financial control, and the other to the city's budget procedure.

During the year the city has taken a definite step toward the classification of positions and standardization of pay, a measure which both the Bureau and the Civil Service Association of Pennsylvania have been urging for some time. A classification study has been made by J. L. Jacobs and Company of Chicago, and the report of this study is now awaiting action by the city authorities.

While the Philadelphia Bureau tries to concentrate on its local task, during the past year members of its staff have assisted two sister organizations, the Taxpayers' Research League of Delaware and the Atlantic City Survey Commission.

◆

Schenectady Bureau of Municipal Research.—During the past year, the capital budget commission, originally established in June, 1928, was reconstituted with the president of the common council as chairman and the director of the Bureau as secretary. The financial program is now in the process of revision and is expected to be completed and brought up to date shortly after January 1, 1931.

Additional studies have been made of local budgetary procedure. As a result of information provided by the Bureau, the estimates of miscellaneous revenues for 1931 were raised about $160,000 above the amounts which had been established tentatively by the comptroller.

As a result of a strong recommendation on the part of the Bureau, an appropriation of $5,000 was included by city officials in the 1931 budget for a comprehensive independent audit of all municipal accounts.

A comprehensive survey of the police department has been the major work of the Bureau during the past year. A report on the subject will shortly be made public which, besides a summary of findings and recommendations, will include a complete analysis of police problems, organization, administration, records, equipment and finances of the department.

An appraisal has been made of the pupil capacity and physical condition of every elementary and intermediate school building in the city in an effort to determine actual school building requirements for the future.

A preliminary survey of the collection and disposal of garbage, ashes and refuse was conducted the first of the year with special emphasis on the problem of administration. Since that time a technical survey of this branch of the city government has been completed by the firm of Pearse, Greeley and Hansen.

During the past year a series of radio talks on various civic problems proved to be a successful educational feature. A new series of seventeen talks will begin shortly over Station WGY under the joint sponsorship of the New York State Conference of Mayors and the Bureau.

*

Stamford (Conn.) Taxpayers' Association.—One of the first actions of the Association was the endorsement of council-manager government for Stamford. As a result one of the major efforts of this Association has been an educational campaign sponsoring this modern type of charter, which is to be the minority report of the mayor's charter committee. The majority of the committee favored a strong-mayor charter. The Taxpayers' Association expect to ask the 1931 state legislature to allow the citizens to choose by referendum the charter they prefer.

Town meeting has endorsed and authorized recommendations offered by the Taxpayers' Association for a scientific re-appraisal of taxable property in town and city. Further progress awaits automatic approval of the 1931 state legislature.

Studies have been made and reports issued on garbage and rubbish incineration and the town poor house.

*

Toronto Bureau of Municipal Research.—The study on motoring safety was completed. The Ontario legislature, in its session held early in the year, passed legislation along the lines of the safety responsibility law, which is now in force.

A major study of the municipal organization of Toronto has been carried on during the year and several reports dealing with this question have been issued. Suggestions were made for longer and overlapping terms for members of council now elected annually; modification or elimination of the present ward system; reduction in the number of departments and the placing of all operating departments, as distinguished from overhead departments, under the control of a director of services responsible to council.

The annual study of the budget estimates was conducted. A study was made of the reporting methods of the city departments, the board of education and outside boards and commissions. An examination was made of the proposed superannuation fund for civic employees, of the proposed cumulative sick-leave plan for teachers, and the proposed introduction of the sabbatical year. The publication, *Toronto At a Glance*, which gives in short form all the pertinent facts relating to the city, was compiled and published.

*

Institute for Government Research, Washington, D. C.—During the year the Institute brought to completion and published five service monographs: *Bureau of Entomology*, by G. A. Weber; *Plant Quarantine and Control Administration*, by G. A. Weber; *Forest Service*, by Darrell H. Smith; *Aeronautics Branch: Department of Commerce*, by L. F. Schmeckebier; and the *Bureau of Home Economics*, by Paul V. Betters.

The publication work of the Institute has been comparatively restricted due to the fact that so many members of its staff have been engaged upon special studies or work for outside organizations. Lewis Meriam has devoted almost all of his time to acting as technical adviser to the Commissioner of Indian Affairs, this work being in the nature of follow-up work to his study on the *Problem of Indian Administration* which was completed in 1928. Some time has also been given by him to work for the President's Unemployment Commission. At the request of the Secretary of the Interior, Laurence F. Schmeckebier served as the supervisor of the Indian census. Henry P. Seidemann and Taylor G. Addison spent some time in Santo Domingo installing the new system of financial administration recommended by the Dawes Commission, of which Mr. Seidemann was a member. Mr. Seidemann also spent some time in Porto Rico assisting in the study of financial and economic conditions in that dependency, the results of which were embodied in the volume published by the Brookings Institution entitled *Porto Rico and Its Problems.*

Mr. Seidemann, Herbert Wilson, and Paul V. Betters spent several months in North Carolina making a survey of the administrative organization and system of financial administration of that state for the governor of North Carolina. The results of this survey were embodied in a report which was transmitted to the governor in December. At the request of the National Commission on Law Observance and Enforcement, Mr. Schmeckebier has undertaken the preparation of a study on the cost of the administration of criminal justice in the District of Columbia. W. F. Willoughby continued to devote some time to the work of the National Advisory Committee on Education, of which he is a member.

Taxpayers' Association of Wyoming Valley, Wilkes-Barre, Pa.—The Association's investigations of expenditures of Luzerne County were its major activity. This investigation consisted of an appeal from the county audit in a civil case before a court of five judges lasting for over three weeks. From the information given in the civil case, the district attorney had indictments prepared, and the grand jury found twenty-seven true bills against county commissioners, various employees, and contractors. Only a few of these criminal cases have been tried, but one contractor and one former county employee are serving time in the penitentiary, three county commissioners are under jail sentence awaiting the decision of a higher court on an appeal, and another contractor has been found guilty and is awaiting sentence.

NOTES AND EVENTS

EDITED BY H. W. DODDS

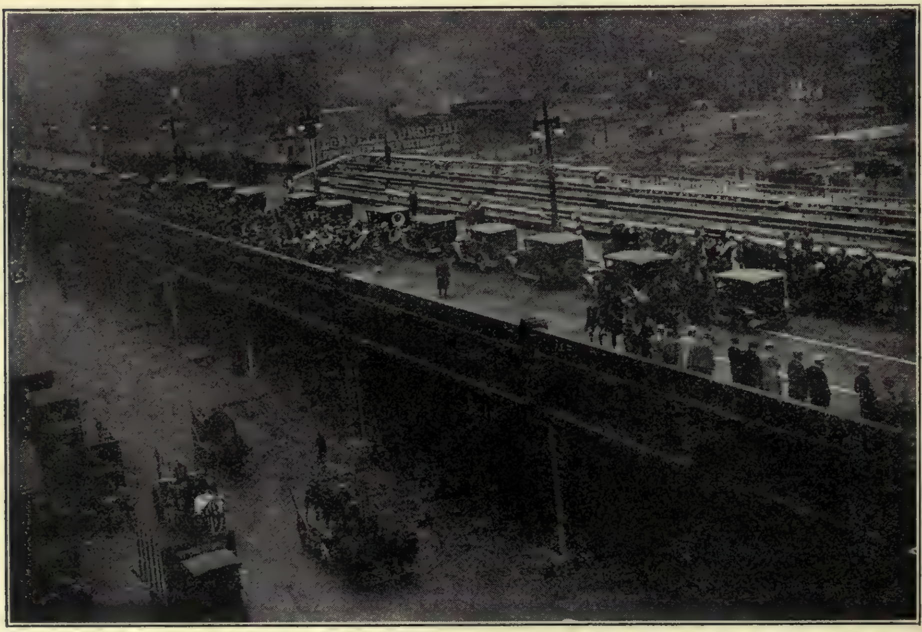
First Unit of New York's Elevated Highway Opened.—Hailed as the first unit of a system of elevated highways which eventually may encircle the city and extend throughout the nation, the new west side motor express highway between Canal and Twenty-second Streets, New York City, was opened officially when Julius Miller, borough president of Manhattan, cut the traditional ribbon across the roadway and a long procession of automobiles bearing official guests passed up the ramp at Canal and West Streets.

The highway is on a steel viaduct 70 feet wide. Its two 30-foot traffic lanes each have a capacity of 5,000 vehicles traveling at forty miles an hour. The stilted road, with its freedom from interference by cross-town traffic, is expected to cut down the transit time from Canal to Twenty-second Street by from thirteen to twenty-three minutes.

Traffic will be regulated at the ramps by modern signaling devices. Police and fire alarm systems have been installed. Special provision has been made for the removal of snow by plowing it into manholes with trucks beneath.

Besides providing a fast, non-stop north and south highway, the project when completed will give access to the Holland Tunnel very near the Canal Street entrance, the Weehawken Tunnel, the various ferries, freight terminals, industrial centres, residential districts and the transatlantic and coastwise shipping lines. It commands a view, somewhat interrupted at places, of the Hudson River. When eventually extended it will meet Riverside Drive at Seventy-second Street and thence over the New York Central Railroad tracks to the Bronx.

The total cost of the work still to be done has been estimated at $12,500,000. Construction of the portion between Twenty-second



West Side Elevated Express Highway for Automobiles now open from Twenty-third Street to Canal Street

Street and Fifty-ninth Street has been delayed pending a determination as to the position of the pier and bulkhead lines between these points. Construction between Fifty-ninth and Seventy-second Streets over the Sixtieth Street terminal of the New York Central is now in progress.

*

Michigan Rejects Detroit's Claim for Legislative Representation.—In his address before the Chicago convention of the National Municipal League, Professor C. E. Merriam prophesied that within twenty-five years the city will approach more nearly its proper representation in the state legislature. The day of rural dominance in the city is disappearing, he said. If the cities of the United States were combined they could get almost anything they wanted and perhaps more than they ought to have, but if the cities of any state stood together they could get what they are entitled to. The cities in Germany, continued Professor Merriam, are so well organized that their association is demanding representation in the senate of Germany.

Professor Merriam is a loyal friend of the city and we trust that he is right in predicting that the city's legitimate claim of proportionate representation in state legislatures will be realized. But the adverse vote in Michigan at the last election on the question of abolishing the clause in the present constitution, by which the representation of major cities is arbitrarily limited, and substituting a strictly population basis of representation showed little appreciation of Professor Merriam's viewpoint. Now it is realized that the amendment which originated in Detroit was too broad for practical purposes because it put both houses on a straight population basis. It is believed that the next proposal on legislative reapportionment will preserve some limitation of urban representation in either the house or the senate.

*

Notes from France and Germany.—Reports in the press of the annual meetings of the councils general of French departments held in September give some information about the operations of these bodies. The presidents of these bodies were in most cases reëlected, frequently by a unanimous vote. One was chosen for the twenty-sixth time, and another for the twenty-eighth time, which was said to establish a new record. A considerable number of these presidents are also members of the senate or the chamber of deputies, including some who have held important posts in the national government, such as Poincaré and Louis Barthou.

Under these circumstances it is not surprising that their addresses often dealt with questions of national and international politics, such as the financial policy of the central government and the significance of the German elections; and resolutions on such questions were not infrequently adopted by the councils.

The most general local topic was that of finances, which have been rapidly mounting; and the need for economy or more revenue was emphasized. In some cases resolutions were adopted protesting against acts of the national government affecting the particular department, as the transfer of a prefect and restrictions on the transportation of potatoes (to prevent the spread of plant disease). In the latter case, the ministry of agriculture promised to consider a revision of the regulations. The importance of these department authorities has been increased by action of the central government a few years ago increasing the powers of the councils general and department commissions, and providing for the union of departments for carrying out joint undertakings.

A recent work on the French city (Maxine Leroy, *La Ville, Française*, 1927) emphasizes the increasing importance of the public utility and social services of the larger municipalities, and urges a more general system of communal federation so that the 20,000 petty communes may deal more effectively with local problems. The law now authorizes unions or syndicates of communes, and a number have been organized, one including 55 communes. There is also a union of cities and communes, a federation of mayors of France, and a federation of mayors in the department of the Seine.

*

During the present year, the French parliament provided for a committee to prepare a plan for the administrative organization of a greater Paris, including the area within twenty miles of the fortifications, and in the meantime to control the erection of new buildings or the clearing of forest land within this area.

*

The eighth Städtetag, or general congress of German cities, was held at Dresden during the summer of 1930, this being also the twenty-fifth anniversary of the first congress. The all important question was that of the financial condition of the cities, especially as affected by the unemployment situation; and resolutions were adopted urging the central government of the Reich to relieve the cities by taking over the whole burden. At the same time, the central government, in attempting to balance its budget is proposing an increase in the insurance assessments so as to make the system self-sustaining.

John A. Fairlie.

✣

Excess Condemnation Defeated in Missouri.—At the election on November 4, 1930, the voters of Missouri by a vote 176,268 for and 396,176 against defeated a constitutional amendment proposed by an initiative petition that would have legalized excess condemnation in Missouri. As submitted, the amendment authorized both the state and cities or counties within the state to use marginal condemnation for the acquisition and control of land necessary to the establishment and maintenance of memorial grounds, streets, squares, parks, parkways, playgrounds, and sites for public buildings.

The terms of the amendment restricted the excess land condemned to parcels within 150 feet of the closest boundary of the public improvement site. This limit could extend to 200 feet in the case of parcels that might be partially within the limit of 150 feet. Authority was granted to resell or lease after the completion of the improvement excess land under such restrictions and reservations as might be considered essential for the future protection of the environment and usefulness of improvements. Any bonds issued to help supply the necessary funds were to be a lien only on the property so acquired and were not to be included in any limitation of the bonded indebtedness of a municipality.

The defeat of the amendment was a severe setback to the program of the St. Louis Planning Commission. St. Louis' largest prospective improvement is that of the river front. Both the financing of this project and its subsequent control would be aided materially by the application of excess condemnation. While the amendment had the active support of numerous civic groups and some of the important metropolitan newspapers, it was treated with indifference by the politically powerful Associated Industries of Missouri and vigorously opposed by the organized real estate interests of the state. But the defeat of the amendment no doubt must be attributed in large measure to the general hostility of the Missouri voters at the last election to amendment propositions. Seven amendments were submitted, and all of them were rejected by a decisive vote.

Martin L. Faust.

✣

County Platting Regulations Adopted.—The commissioners of Hamilton County, Ohio, in which the city of Cincinnati is located, have adopted platting regulations governing the subdivision of land in villages and rural areas of the county. The existence of nearly a dozen subdivisions in which no improvements have been made other than the rough grading of ditches along the streets first aroused the local health authorities, who in turn instigated the movement for platting control. Another factor which contributed to the action by the county commissioners was the migration of the negro population of Cincinnati to the outskirts or urban communities throughout the county as a result of the destruction of tenements to make way for the new Union Terminal.

The new regulations provide that any subdivider of land must obtain from the village planning commission, if the subdivision falls within a village, or from the board of county commissioners or the city planning commission of the city having jurisdiction, if the subdivision falls within a rural area. The approving authority to which such preliminary plat has been submitted must in turn seek the recommendation of the regional planning commission, a county agency.

Supplement to the NATIONAL MUNICIPAL REVIEW, January, 1931, Vol. XX, No. 1

REPORT ON WORK OF NATIONAL MUNICIPAL LEAGUE

From November 1, 1929, to October 31, 1930[1]

By RUSSELL FORBES, *Secretary*

THE past year has been one of progress and achievement in the face of great obstacles and handicaps. A period of financial depression is always accompanied by an increased public interest in governmental reform, tax reduction, and administrative efficiency. This greatly increases the volume of work in the office of the National Municipal League. At the same time, a period of financial depression inevitably results in decreased income from contributions and membership. Veritably, the National Municipal League is between the upper and nether millstones. We do not believe that the League ever was faced by a greater opportunity for achievement. Its financial situation is, however, most precarious. Unless something can be done very quickly, the League will be in the paradoxical position of having to go out of business because its business was too good.

PUBLICATIONS

One of the League's chief functions is to publish and disseminate reports and articles dealing with improvements in state and local governments. During the past year its publication schedule has been heavier than usual.

NATIONAL MUNICIPAL REVIEW. Under the present arrangement, Dr. H. W. Dodds edits the NATIONAL MUNICIPAL REVIEW on a part-time basis in connection with his professorship of politics at Princeton University. Relieved of the harrowing details of the secretarial function, Dr. Dodds has been able to improve the general character of the REVIEW and thereby add to its reputation and prestige. In addition to carrying the regular monthly message of municipal reform, the REVIEW also serves as the medium for disseminating committee reports as supplements of the magazine. During the past year a total of five supplements have been issued under the following titles:

1. Water Power in New York State (February)
2. The Practical Workings of Proportional Representation in the United States and Canada (May)
3. Dayton's Sixteen years of City Manager Government (July)
4. Model County Manager Law (August)
5. Model Election Administration System (September)

These supplements have been distributed to our membership and, in addition, a great many copies have been sold or have been sent free to interested individuals and organizations to assist in promotional work.

Following the precedent established for the Chicago convention in 1929, the October 1930 issue was devoted to a discussion of Cleveland's governmental situation. This number of the REVIEW is being widely distributed in Cleveland and elsewhere as a means of advertising our 36th annual meeting. As shown on the table below, 1,335 copies of the REVIEW were sold and 1,812 copies were distributed as samples during the past year, in addition to the regular distribution to the League membership.

BOOKS

In May the League published a monograph on *Public Borrowing* prepared by Dr. Paul Studensky of New York University and edited by your secretary. This monograph has had a very gratifying sale. It is a clear-cut and up-to-date statement of the principles now governing, and those which should govern, the borrowing policy of state and local governments.

As this report is being written, the long-awaited volume on *The Government of Metropolitan Areas* is just coming from the press. This report was prepared by Dr. Paul Studensky for our Committee on Government of Metropolitan Areas, headed by Dean Frank H. Sommer of the New York University Law School. The report in various stages has been edited by Dean Sommer, Professor Thos. H. Reed and H. W. Dodds, with the assistance of the other members of the committee. We bespeak for this volume a very considerable prestige. It will undoubtedly have influence in those several cities where the problems of metropolitan government are now most pressing.

REFERENCE PAMPHLETS

Model Election Administration System. Our model election administration system, published in September 1930, is the report of our committee headed by Professor Charles E. Merriam, of the University of Chicago, with Professor Joseph P. Harris, of the University of Washington, as secretary. Professor Harris, who was also secretary of our committee and author of the report on the *Model Registration System*, is a nation-wide authority on election reform. The committee report is already being used as the basis for revision of the election laws in Pennsylvania, Missouri, Indiana and Illinois. At the 1931 session of the various state legislatures, we expect to see the principles of this report written into law in several states.

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[1] Submitted at National Conference on Government, Cleveland, November 10.

The City Manager Plan at Work. Our list of campaign pamphlets was augmented during the past year by the publication of a booklet on *The City Manager Plan at Work.* This is a compilation of opinions from representative citizens and organizations in cities having the manager plan in various parts of the country. It is a companion pamphlet to the *Story of the City Manager Plan* and has already been used in many local campaigns.

Reprints of Publications. During the past year a number of our publications were reprinted. The ever-popular pamphlet on *Administrative Consolidation in State Government* was revised by the author, A. E. Buck of the National Institute of Public Administration, prior to its publication and distribution in the fifth edition.

The County Manager Plan and *The Short Ballot* by Richard S. Childs were also revised and reissued during the past year. The present is the second edition of *The County Manager Plan* and the sixth edition of *The Short Ballot.* Both of these have become standard reference pamphlets whose influence is beyond measure.

On page 6, in connection with a statement of our financial needs, we list a number of other reports and pamphlets which are awaiting the securing of the necessary funds before they are issued or reprinted.

DISTRIBUTION OF NATIONAL MUNICIPAL LEAGUE PUBLICATIONS

NOVEMBER 1, 1929 TO OCTOBER 31, 1930

Title	*Free*	*Sold*	*Total*
Administrative Consolidation in State Governments	118	421	539
Administration of Gasoline Taxes in the United States	1	22	23
Administrative Reorganization in Illinois	5	32	37
Airports as a Factor in City Planning	1	53	54
Assessment of Real Estate	3	144	147
Board of Estimate and Apportionment of New York City	3	69	72
*City Manager budget	0	26	26
*City planning and zoning budget	0	23	23
City Manager Plan at Work	149	1,349	1,498
County, The	1	26	27
County Manager Plan	34	153	187
Dayton's Sixteen Years of City Manager Government	6	194	200
Electric Light and Power as a Public Utility	2	58	60
Electricity in Great Britain	1	51	52
Employment Management in the Municipal Civil Service	1	90	91
Excess Condemnation, Why We Need	3	54	57
Federal Aid to the States	3	58	61
Fitz-Elwyne's Assize of Buildings	0	11	11
Five Years of City Manager Government in Cleveland	8	83	91
German Cities since the Revolution of 1918	0	45	45
Land Subdivisions and the City Plan	0	46	46
Law of the City Plan	2	57	59
Loose-leaf Digest of City Manager Charters	0	32	32
Merit System in Government	0	45	45
Minor Highway Privileges as a Source of Municipal Revenue	0	26	26
Model Bond Law	5	116	121
Model Municipal Budget Law	12	118	130
Model County Manager Law	119	161	280
Model Election Administration System	126	355	481
Model Registration System	17	143	160
Model State Constitution	73	954	1,027
Modern City Planning	0	4	4
Model City Charter	30	356	386
Municipal Salaries under the Changing Price Level	2	32	34
National Municipal League Series of Books	4	17	21
**National Municipal Review	1,812	1,335	3,147
New Charter Proposals for Norwood, Mass.	0	9	9
Practical Workings of Proportional Representation in the United States and Canada	28	65	93
President's Removal Power under the Constitution	1	33	34
Primer Chart of Typical City Governments	1	5	6
Public Borrowing	22	252	274
Reprints of National Municipal League articles	111	535	646
Service at Cost for Street Railways	2	6	8
Short Ballot	37	239	276
Special Assessments for Public Improvements	3	95	98
Standards of Financial Administration	0	48	48
State Parks	0	25	25
State Welfare Administration and Consolidated Government	0	60	60
Story of the City Manager Plan	657	3,881	4,538
Water Power in New York State	2	29	31
Zoning	1	3	4
Totals	3,406	12,044	15,450

*Collection of publications on subject.

** In addition to monthly distribution to membership.

COMMITTEES

The work of committees is the keystone of the League's progress. Our committees are carefully selected and are representative of the professional and lay groups interested in any given subject. As time goes on, it becomes easier to form committees of representative experts, because of the increasing prestige and reputation of our committee reports. At the present time the following committees are actively at work:

Citizen Organization for Municipal Activity. This committee, with Henry Bentley, president of the Cincinnati City Charter Committee as chairman, will summarize the organization and work of his committee and set forth the methods followed in transforming Cincinnati's city government. Most important of all, it will show how to organize a permanent charter committee to acquaint voters with progress accomplished and to defend the City Manager Plan against organized attacks. The report of this committee will fill a long-felt want. It will serve as an educational booklet to stimulate the creation of such citizens' groups in other cities.

Model Administrative Code. A committee has been organized to draft a model administrative code which will be a companion volume to our *Model City Charter.* The administrative code will help to set up the city manager government after a charter has been adopted. The committee in charge of this important task is headed by W. Earl Weller, director of the Rochester Bureau of Municipal Research, with Emmett L. Bennett, director of the Municipal Reference Bureau, University of Cincinnati, as secretary.

Park and Playground Administration. This committee is headed by Professor Jay B. Nash, of New York University, a nationally recognized authority on the subject. The report of this committee, when funds are obtained to publish it, will recommend standards of administration for park and playground work in city governments. It will also recommend the proper administrative set-up and the proper relationship between the central city government and the school system, in the handling of park and playground functions.

Organized Citizens' Participation in City Government. Many different organizations are now engaged in a study of municipal government, and are performing worthwhile services in assisting city officials. This committee will outline the work which these organizations are doing, and will forecast what they may accomplish through greater correlation of effort. Carl H. Pforzheimer, treasurer of the League, is the chairman of this committee, and W. P. Lovett, of the Detroit Citizens' League, is secretary.

The Committee on New Municipal Program. A number of criticisms have been made to the effect that our *Model City Charter* is in need of revamping and revision, especially in the section on personnel administration. The executive committee in March sanctioned the appointment by President Childs of the following committee to suggest revised sections on personnel for the *Model City Charter:* Lent D. Upson, Detroit Bureau of Governmental Research, *chairman;* Fred Telford, Bureau of Public Personnel Administration, *secretary;* William C. Beyer, Philadelphia Bureau of Municipal Research; Robert M. Goodrich, Taxpayers' League of St. Louis County (Duluth); H. Eliot Kaplan, National Civil Service Reform League; and Clarence E. Ridley, International City Managers' Association.

Emmett L. Bennett, director of the Municipal Reference Bureau of the University of Cincinnati, has voluntarily submitted a detailed criticism of the entire charter as to phraseology and context. Mr. Bennett's memorandum and the report of the committee mentioned above are being made the basis of a meeting of the Committee on New Municipal Program in connection with this present Conference. As a result of this meeting we may in the coming year issue a slightly revised edition of our *Model City Charter.*

Committee on Local Branches. In January 1930, Colonel H. M. Waite of Cincinnati suggested that some action be taken leading to the formation of local branches or groups of the membership in various localities. He presented this matter at the meeting of the League council in April and the council at that time authorized the appointment of a committee to study and to report on this problem. The committee appointed, pursuant to this action, is as follows: Howard Strong, Wilkes-Barre Wyoming Valley Chamber of Commerce, *chairman;* H. S. Braucher, Playground and Recreation Association of America; H. S. Buttenheim, editor of *The American City;* Lent D. Upson, Detroit Bureau of Governmental Research; and H. M. Waite, Cincinnati, Ohio.

PUBLIC RELATIONS WORK

Our public relations work, supervised by Howard P. Jones, constitutes the sales department of the National Municipal League. This new phase of our work was initiated in February, 1929 and has amply justified its existence. The work of the League is now receiving more widespread newspaper and magazine mention than at any time during the past fifteen years.

Mr. Jones is in contact with over 1700 daily and weekly newspapers and with all the leading magazines interested in municipal government and administration. Occasional editorial articles are distributed and news releases are sent out covering the most important contributions to each issue of the NATIONAL MUNICIPAL REVIEW. Furthermore, every committee report is written up both in magazines and in newspaper releases which thus serves to focus public attention upon our work and to stimulate increased sale and distribution. Mr. Jones also edits a regular monthly section in the NATIONAL MUNICIPAL REVIEW under the title of "Headlines" in which he recounts interesting items of progress in various governments.

We have received during the past year from our press clipping services more than 30,000 column inches of publicity matter based either wholly or partially upon our releases. Since the public relations work was inaugurated, we have received a total of almost 150,000 column inches of publicity according to our best estimates.

It seems undeniable that our public relations work has helped greatly in arousing public interest in all parts of the country in the general question of municipal reform. It would indeed be a calamity if funds could not be made available to carry on this very important work.

PROMOTION OF CITY MANAGER GOVERNMENT

For a number of years the National Municipal League shared with the International City Managers' Association the task of promoting the city manager plan of government. The City Managers' Association has now withdrawn from the field of promotion of this plan and has thereby definitely placed upon our shoulders the responsibility for its advancement. We hope that we have measured up to this responsibility during the past year.

Our pamphlets on *The Story of the City Manager Plan* and *The City Manager Plan at Work* were used in all of the campaigns for the adoption of city management during the past year. Such campaigns have been carried on in the following cities:

- CALIFORNIA
  - Oakland
  - San Diego
  - San Francisco
  - San Leandro
  - Ventura
- CONNECTICUT
  - New Britain
  - Stamford
- FLORIDA
  - Jacksonville
  - Pensacola
  - St. Petersburg
- GEORGIA
  - Savannah
- IOWA
  - Waterloo
- KANSAS
  - Arkansas City
- KENTUCKY
  - Covington
  - Lexington
  - Newport
- MASSACHUSETTS
  - Foxboro
- MICHIGAN
  - Monroe
  - Owosso
  - Rochester
- MINNESOTA
  - St. Paul
- NEW HAMPSHIRE
  - Hooksett
  - Milford
- NEW JERSEY
  - Metuchen
  - Union City
- NEW YORK
  - Elmira
  - Mamaroneck
  - New Rochelle
  - Olean
- OHIO
  - Bedford
  - Delaware
  - Greenfield
  - Youngstown
- OKLAHOMA
  - Shawnee
  - Stillwater
  - Tulsa
- OREGON
  - Klamath Falls
- PENNSYLVANIA
  - Philadelphia
- SOUTH CAROLINA
  - Fallney
- TEXAS
  - Borger
  - Dallas
  - Van
- VIRGINIA
  - Bluefield
  - Norfolk
- WISCONSIN
  - Antigo
  - Appleton
  - Eau Claire
  - Fort Atkinson
  - Marinette
  - Watertown
- WASHINGTON
  - Yakima

In practically all of these campaigns our office has rendered advice and assistance. In some of them, Mr. Jones has practically directed the campaign. In all of them he has kept in close touch with the situation. During the year just closed, we have rendered help to 19 cities in the drafting of new charters.

During the year a total of 13 cities adopted the manager plan of government. These additions have now swelled the total of manager cities in the United States and Canada to 435. This number will probably be increased by the elections to be held on November 4 in the following cities: Oakland and Ventura, California; Arkansas City, Kansas; Covington, Lexington and Newport, Kentucky; and Bedford, Ohio.

One of the most convincing proofs of the importance and effectiveness of our public relations work rests in the fact that at the present time campaigns for the adoption of city management are in progress in 55 cities scattered over practically all sections of the country.

Although our past work in this field needs no apology, it could be much more effective if we had the funds to send consultants to a greater number of cities and to help more extensively in conducting local campaigns.

PROMOTION OF COUNTY MANAGER PLAN

Probably the most important problem undertaken by the League since the adoption of the *Model City Charter* is the study of county government. As the first step, a committee was appointed to formulate a model county manager law. This committee was headed by Professor John A. Fairlie of the University of Illinois, with Professor Paul W. Wager of the University of North Carolina as secretary. The committee had several meetings and considered the problem from every possible angle. *The Model County Manager Law* was issued as a supplement to the National Municipal Review in August. It has already stirred up a remarkable amount of interest.

Mr. Jones has concentrated upon the promotion of The Model County Manager Law and has personally prepared articles describing it in five different magazines. More than 1700 newspapers received information on the law through our news releases and printed more than 18,000 column inches of publicity. Overtures have already been made to the editors of *The Country Home* and other leading farm journals, which, it is believed, will lead to considerable publicity on the subject in the coming year.

The H. W. Wilson Company, publishers of *The Reader's Guide* and debaters' handbooks, have in press a reference volume on the county manager plan. This volume is based largely upon the reports and articles issued by the National Municipal League. It will give a further impetus to the movement.

The following imposing list of counties which are at present interested in the manager plan is the best possible proof of the success of our work in this field:

- California
  - Sacramento
  - Napa
  - Los Angeles
  - Glenn
  - Placer
  - Santa Barbara
- Georgia
  - De Kalb
  - Floyd
  - Greene
- Maryland
  - Montgomery
- North Carolina
  - Buncombe
  - Durham
- Oregon
  - Clackamas
- Tennessee
  - McMinn
- Virginia
  - Arlington

INQUIRIES

One of the services of the League's secretariat is the answering of inquiries from interested citizens, officials and organized groups. Some of the inquiries are easily answered by sending one or more of the League publications. Many, however, require extensive investigation and compilation of data. This phase of our work is carried on quietly and attracts little attention from anyone except those who are benefited by it. Although consuming a considerable amount of time, it is believed that this service is worthwhile. During the past year we have answered approximately 3600 inquiries for information and literature.

ANNUAL MEETING

Following the precedent of last year, this convention, our 36th annual meeting, is being called the National Conference on Government. The present conference, sponsored also by six other national research and reform organizations, will, it is believed, be the high-water mark for meetings of this kind. Mayo Fesler, director of the Cleveland Citizens' League, has served as chairman of the program committee and as chairman of the local committee on arrangements. The imposing character of the program and the care with which local arrangements have been made bear witness to the seriousness with which Mr. Fesler has undertaken his rôle. Only those who, like Mr. Fesler and the members of the secretariat staff, are actively engaged in it, can appreciate the prodigious volume of work involved in connection with our annual meeting. It is encouraging to note, however, that the "sales resistance" is becoming weaker each succeeding year as our meetings gain in momentum and reputation.

MEMBERSHIP

A great deal of effort and thought have been put into the problem of increasing our membership during the past year. As a result 800 new members have been added to our roster. This very satisfactory result has, however, been in large part offset by the shrinkage in membership due to deaths and resignations. At this time last year the paid membership of the National Municipal League was 2247. Now it is 2465, or a gain of 218. Of this number, 500 are sustaining members paying $10 per year and receiving all the League publications and those of the Municipal Administration Service.

ANNUAL BUDGET

As shown by the accompanying auditor's report, we ended the past fiscal year on March 31, 1930 with a deficit of approximately $4000. This is substantially the same in amount as the deficit which has been an ever-present source of annoyance and embarrassment for the past several years. Since the beginning of the current fiscal year, however, the financial situation has grown considerably worse because of the reasons stated in the introductory paragraph of this report. On account of our increased work program, made necessary by increased demands for services, we are operating on a budget of approximately $50,000 for the current year, as contrasted with the budget of $45,000 for the preceding year.

Expenses have been pared to the bone and every possible economy in administration has been resorted to. The death of several of our substantial contributors during the past year has tended to increase the seriousness of our present situation.

However, this loss was partially offset by the effective work of Colonel H. M. Waite, Henry Bentley and Ralph Holterhoff in raising a fund for the League in Cincinnati last January.

FINANCIAL NEEDS

At the present time the National Municipal League needs additional funds both for an increase in the secretarial services and for investigation and research. Additional funds are needed for our current operating budget to make possible the following increases in services:

Expansion of Field Service. Work in promoting the city manager plan should be expanded to include the sending of charter and campaign consultants to all cities requiring them, a service which the League is unable to finance at present. The headquarters staff is now compelled to keep in touch with local situations through correspondence only, since no funds are available for travel. The city manager plan should also be brought home to our colleges and universities, and additional funds would also meet the expense of sending a qualified speaker to their classrooms in connection with his consulting work.

Printing of New Publications. Funds are needed to cover the cost of publishing new pamphlets and reports of committees. Manuscripts for the following reports are now practically ready for publication: "Successful City Manager Charters," "Standards of Park and Playground Administration" and "Citizen Organization for Municipal Activity."

Reprints of Publications. The demand for certain pamphlets indicates that they will have to be reprinted during the coming year. We will probably have to reprint *The Story of the City Manager Plan*, *The County Manager Plan*, *The Model City Charter*, *Federal Aid to the States*, and the *Model Registration System*. The *Looseleaf Digest of City Manager Charters* by Professor Robert T. Crane must also be reprinted in revised form.

RESEARCH PROJECTS

We are at the present time expected to answer inquiries on the question of city government by pointing out that the city manager plan is the leading curative. When our inquirers want proof of the results accomplished by city management and facts tending to show that this plan would succeed in a given locality, we must rely upon a compilation of opinions, plus a few scattered reports, to prove our case.

We need facts which have been compiled by careful researchers and investigators and which tend to show beyond peradventure that city management does tend towards administrative efficiency and economy. The same need is felt in other lines wherein we are supposed to act as promoters. Our work would be greatly furthered if we had funds with which to make studies in the following fields:

Administrative Consolidation in State Governments. In 1919, the League published a pamphlet on this subject by A. E. Buck, of the National Institute of Public Administration, author of many works on municipal finance and administration, and director of surveys of the governments of Virginia, Tennessee, New Jersey and other states.

Reorganization of the government has undoubtedly saved many thousands of dollars to these fifteen states that have followed Buck's recommendation, but few definite facts are available. It is now time for a thorough survey and check-up of the results obtained through these changes in government.

Survey of Accomplishments of the City Manager Plan. A number of studies have been made of the functioning of city management in Cleveland, Dayton, Cincinnati and other large municipalities. But no adequate study or appraisal has thus far been made of the results accomplished by this form of government in cities of less than 50,000 population. Of the 40 cities with managers at the present time, 408 are less than 50,000 in population. The bulk of the inquiries received by the National Municipal League come from the smaller cities which ask for data concerning administrative practices and accomplishments in cities of similar size. Little factual material is now available with which to answer such inquiries.

We need a fund with which to finance an appraisal of city management in the smaller cities by a recognized authority and to publish his findings in book form.

Study and Survey of Appointed vs. *Elected Judiciary.* The time now seems ripe to make a study of the advantages and disadvantages of having the judiciary appointed instead of elected in state and local government. This is an exceedingly important study and can be made only by one who is widely versed in the general problems of government.

Re-apportionment of State Legislatures. This problem has given rise to many bitter disputes in state legislatures within recent years. California, New York, Illinois, Michigan and other states, where the growth of large cities has raised the question of the lack of adequate representation of the urban population, are finding it most serious. No intelligent, unbiased study of this question has ever been made.

The Short Ballot. An analytical study of the short ballot is needed. The short ballot idea is widely accepted; is, indeed, one of the most significant contributions of the twentieth century to American political science. No statistical information is available as to how widely it is in use in this country and no effort has been made to evaluate its effectiveness. Yet it is the basis of such reforms in government as the city manager plan, the county manager plan, and state administrative reorganization.

A LOOK AHEAD

Your secretary believes that the next year will be a critical one in the history of the National Municipal League. We hope it will see the substitution of action for talk in the matter of finances. The secretary and his colleagues on the staff are perfectly willing to do everything possible to assist in raising funds, but they, like any other paid staff, labor under a handicap in such efforts. Work such as ours, which has little heart interest, and which appeals solely to the logic and the pocketbook of citizens, can be financed only with the zealous and earnest assistance of our council members, officers, and other interested individual members.

The work of the League will naturally continue to be carried on through committees. Your secretary recommends that new committees be formed this coming year for the following tasks:

1. Committee on County Government. The task of formulating *The Model County Manager Law* showed that the whole field of county government was greatly in need of study. There is no uniformity among the various states with respect to the relationship of the county to the states, or in the matter of county administrative functions. Before the county manager plan can be adopted, constitutional changes will be required in the majority of states. It is therefore recommended that a committee, based largely upon the personnel of the committee which formulated the county manager plan, should be formed, and that funds should be found to enable it to make a careful study of the general problem of county government during the coming year.

2. Model Corrupt Practices Law. It is recommended that a committee be formed during the coming year to draw up a model corrupt practices law which will take its place alongside our model laws on other subjects. The need for uniformity in this field and for closer regulation of campaign expenditures requires no elaboration.

3. Committee on State Government. Most students agree that centralized responsibility in state government is a desirable and necessary reform. However, more precise principles of state reorganization which might govern the matter in various states and which might serve to clarify the existing doubt and controversy in this field would, it is believed, be amply worthwhile.

4. Committee on Municipal Home Rule. In several states, municipal home rule is a hope rather than a fact. The time seems ripe for a careful study of the situation and the formulation by a competent committee of constitutional and statutory principles which can be recommended for adoption in the various states.

OFFICERS AND HEADQUARTERS STAFF

Richards S. Childs, president, has during the past year rendered a great service to the National Municipal League, not only through his financial contribution, but through his continued and never-failing advice and help. Carl H. Pforzheimer, treasurer, has repeatedly gone out of his way to promote the interests of the League. The same can be said of the other members of the executive committee and of many members of the council. The executive and clerical staff at League headquarters have sacrificed their own interests by working overtime throughout the year. The members of the staff are underpaid and overworked. These words paid in tribute to them are inadequate to express my personal appreciation for the extraordinary assistance they have rendered.

Respectfully submitted,
Russell Forbes,
Secretary.

AUDITOR'S REPORT

NATIONAL MUNICIPAL LEAGUE
Balance Sheet, March 31, 1930

ASSETS

Cash:			
In Bank:			
Treasurer's account		$ 620.36	
Secretary's account		160.32	
		$ 780.68	
Less: Uninvested cash—Portland Prize Fund	$13.30		
Unexpended cash—Russell Sage Foundation Fund	308.36	321.66	
		$ 459.02	
On hand		6.73	
			$ 465.75
Accounts receivable			5.04
Furniture and fixtures		$ 2,393.56	
Less: Reserve for depreciation		662.81	
			1,730.75
Russell Sage Foundation Fund—cash balance			308.36
Portland Prize Fund:			
Investments: (at cost)			
$100 City of Lyons 6% bonds due November 1, 1934		$ 99.20	
$500 Continental Oil Company 5¼% debentures due November 1, 1937		487.50	
Uninvested cash		13.30	
			600.00
Accrued interest on bonds—Portland Prize Fund			13.44
Total assets			$ 3,123.34

LIABILITIES AND DEFICIT

Accounts payable	$ 7,631.57
Russell Sage Foundation Fund	308.36
Portland Prize Fund	600.00
Total liabilities	$ 8,539.93
Deficit, March 31, 1930	5,416.59
Total liabilities, less deficit	$ 3,123.34

STATEMENT OF INCOME AND EXPENSE
FOR THE YEAR ENDED MARCH 31, 1930

Income:			
Contributions			$28,645.00
Dues:			
Annual		$ 6,019.51	
Sustaining		3,731.50	
Contributing		449.50	
			10,200.51
Subscriptions to the REVIEW			2,493.66
Sale of publications			3,391.65
Advertising			261.00
Miscellaneous			334.61
Total income			$45,326.43
Expense:			
Salaries:			
Administrative	$14,633.21		
General	10,837.50		
		$25,470.71	
Printing REVIEW		6,815.89	
Printing REVIEW supplement		192.10	
Printing books and pamphlets		1,226.04	
Miscellaneous printing		664.00	
Mimeographing		2,221.98	
Binders		93.11	
Postage and express, rent, telephone and telegraph		8,481.71	
Stationery and office supplies		1,115.42	
Books and subscriptions		655.14	
Clippings		854.18	
Auditing		233.00	
Traveling		357.11	
Depreciation, office furniture and fixtures		202.16	
Maintenance of office equipment		75.17	
Convention		264.26	
Committees		181.34	
Stencils		78.62	
Royalties		17.75	
Baldwin Prize		100.00	
Portland Prize		25.00	
Sundry		322.23	
Total expense			$49,646.92
Net loss for year ended March 31, 1930			$ 4,320.49

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CONTENTS

EDITORIAL COMMENT .... *H. W. Dodds* 63
HEADLINES .... *Howard P. Jones.* 67
ITEMS IN N. M. L. PROGRAM BEING CONSIDERED BY STATE LEGISLATURES .... *Edna Trull* 69
ADMINISTRATIVE REORGANIZATION IN CINCINNATI ..... *Emmett L. Bennett* 71
IRREGULARITIES IN CUSTODY OF STATE FUNDS IN MISSOURI .... *Martin L. Faust* .. 74
WHY NOT A TAX DISARMAMENT CONFERENCE? .... *C. A. Crosser* 78
"ROTTEN BOROUGH" REPRESENTATION IN OHIO ...... *F. R. Aumann* ... 82
POOLING A REGION'S CREDIT—CONSOLIDATION OF MUNICIPAL BORROWING POWERS ON A REGIONAL SCALE .... *E. T. Sampson* ... 86
AMERICAN CITIZENSHIP AND AUSTRALIAN ELECTION METHODS .... *Ira W. Stratton* ... 90

DEPARTMENTS

I. Recent Books Reviewed 95
II. Judicial Decisions .... *Edited by C. W. Tooke* 101
III. Public Utilities .... *Edited by John Bauer* 106
IV. Municipal Activities Abroad .... *Edited by Rowland A. Egger* 109
V. Governmental Research Association Notes .... *Edited by Russell Forbes* 113
VI. Notes and Events .... *Edited by H. W. Dodds* 116

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THE LEAGUE'S BUSINESS

Meeting of Officers.—On this page last month we announced a meeting of the council and vice presidents of the National Municipal League which was scheduled for Princeton, N. J., on January 24 and 25. Because of conflicting engagements and because of the inability of many officers to attend a meeting so far in the East, the meeting has been postponed until February 21 and 22 and will be held at the Union League Club of Chicago. Members are requested to send in their suggestions for subjects to be discussed at this meeting concerning the present work program and the future policies of the National Municipal League.

⁂

A Bouquet Resurrected.—In naming a collection of the various printed tributes to the importance of the National Municipal League's work, the secretary recently discovered the following statement tucked away in the final chapter of *American City Government* by Professor William Anderson of the University of Minnesota. In his chapter on "The Programme of Reform," Professor Anderson speaks as follows:

> Among national non-professional organizations the National Municipal League easily outranks all others in importance. Founded only thirty years ago (1894), and never composed of many thousand members, it has nevertheless been the head and front of the advancing column, and a principal focal point for the dissemination of municipal information and the promotion of municipal reform throughout the United States. It has chosen to represent the great body of informed citizens and students rather than the politician and officeholder as such, and it has been sufficiently catholic in its views to refuse to be the tool of any one interest or to stake its existence upon any one reform proposal. It is, in fact, the reform programme of this league, first adopted in 1900 and then revised and reaffirmed in 1916, which furnishes most of the material for this chapter. This programme covers most of the important phases of the municipal problem in America today. The NATIONAL MUNICIPAL REVIEW and other publications of the League are our principal sources of information upon the progress of municipal reform in all its branches.

⁂

Proceedings of 1930 Convention.—The *Proceedings* of the National Conference on Government held at Cleveland, Ohio, on November 10, 11 and 12 have just been issued by the Governmental Research Association. The volume of *Proceedings* contains the majority of the addresses delivered at the convention sessions for which the National Municipal League was joint sponsor. Copies may be secured at $2.50 from the Governmental Research Association, 261 Broadway, New York City.

RUSSELL FORBES, *Secretary.*

NATIONAL MUNICIPAL REVIEW

VOL. XX, NO. 2. FEBRUARY, 1931 TOTAL NO. 176

EDITORIAL COMMENT

This department wishes to add its congratulations to those expressed by Mr. Egger in his department on Municipal Activities Abroad to the *Deutscher Städtetag* on the twenty-fifth anniversary of its founding. A free translation of *Deutscher Städtetag* would be the National Municipal League of Germany.

✱

In our last issue we published a severe criticism by Bernard J. Newman of the housing code prepared by the New York state board of housing for adoption by the municipalities of the state. In the Notes and Events department of this issue appears a reply by George Gove, secretary of the New York state board of housing. Mr. Gove believes that Mr. Newman misinterpreted the purpose of the draft code and those who read the earlier article should refer to Mr. Gove's communication on page 116. In it he points out that the "model" code is a model only in the sense that it is something which the cities may follow. It is not intended as a complete catalogue of specifications for the planning or constructing of buildings; but its authors believe that, if its provisions are observed, reasonable public safety in the matter of housing will be secured.

✱

G. Montagu Harris, assistant secretary of the ministry of health of England and secretary of the International Union of Local Authorities, has announced that the Fifth International Congress of Local Authorities will meet in England, beginning on May 23, 1932. The first week will be devoted to formal sessions in London and visits to points of interest in the metropolitan region. The week following tours will be made to neighboring cities to give the visitors a glimpse of the administration of English urban and rural municipalities.

The Fourth International Congress was held last year in Spain. It is hoped that a considerable number of Americans will plan to attend the 1932 meeting.

✱

Readers of Mr. Dence's recent articles in the REVIEW on London's Progress in Slum Abatement will be interested in the housing program of the London County Council which has just been submitted to the ministry of health. It covers a five-year period, 1931 to 1935 inclusive, and anticipates that the total number of houses which will be provided in these years by the County Council will be 34,670, and that the total capital expenditure will be approximately $105,000,000. It is estimated that 6,200 houses of the above total will be necessary to rehouse persons in connection with the clearance of slum districts. The balance will be erected on cottage estates and sites in or near the central areas of London suitable for new block dwellings.

*

Dublin's City Manager

A recent number of the London *Municipal Journal* reports the inauguration of the city manager plan in Dublin. On the second Tuesday in October, eight local authorities in the county of Dublin ceased to exist, while several boards of guardians saw their functions transferred to a single board of health. In place of the eight local authorities there are now two—one, the new corporation of Dublin and the other the new borough of Dun Laoghaire.

The city manager of Dublin is Gerald J. Sherlock, who has served the Dublin corporation for over thirty years. For the past few years he has been city clerk. Previous to his service in that office, he acted as assistant to the late Sir Henry Campbell during some of the most difficult years of the civic history of Dublin.

The manager of the borough of Dun Laoghaire is P. J. Hernon. Mr. Hernon was commissioner for the city of Dublin for six years and prior to that was an inspector for the local government department for three years. A former student of the London School of Economics, Mr. Hernon seems to combine academic training and public experience in happy proportions.

*

What Should We Demand of Our Mayors?

Chicago is now facing the heavy responsibility of selecting a mayor to serve for the next four years. Big Bill Thompson has indicated his willingness to succeed himself. If this is to be prevented and if the executive office is to be filled by an acceptable man—able to divest the city of its unhappy reputation—the civic intelligence of its people must organize and act. At this writing it is not clear that it intends to do so.

Whether or not Chicago follows his advice at this time, George O. Fairweather, who played such a conspicuous part in the Joint Commission on Real Estate Valuation, has made a suggestion which is worthy of study by all similar organizations elsewhere.

Mr. Fairweather in a talk to the Chicago Real Estate Board proposed that that body meet the present emergency by studying and reporting upon the following matters:

1. What is the power and authority of the mayor?
2. What are the job specifications of the office?
3. What are the platforms and proposals of candidates offering themselves for consideration?

The first two suggestions above are exceptionally noteworthy. If the voters were led to understand the powers of their municipal executive and the special capacity required to fill the office properly, a long step would be taken towards securing the right man. By emphasizing the powers and duties of the office and by carefully defining its job specifications, civic organizations can help in creating a popular demand that the man elected fulfill such specifications.

*

Qualities of a Good City Manager

The International City Managers' Association has published a pamphlet entitled, "The Qualifications and Selection of a City Manager." From it we learn that the duties of a city manager cover a wide range, for the proper performance of which a variety of talents is needed. Thus, it is asserted that the city manager must be honest, forceful, tactful, industrious and loyal. He must have vision, and if he lacks a sense of humor he is doomed to failure.

Such talents would seem to make for success in any vocation and we are somewhat reassured to be told that city councils will probably not be able to find a man in whom all of the foregoing characteristics are present at their maximum. Possibly, continues the report, such a man does not exist. A council, however, will be delinquent in its duty to the people, the committee properly believes, if it fails to obtain as manager the available person having the best combination of the prescribed virtues.

With respect to qualities other than personal, the greatest emphasis is placed upon experience. Large cities should choose only experienced managers or persons with a broad executive background. Small cities may find it to their advantage to employ a manager with engineering training; but in cities where the general supervisory duties are sufficient to keep him fully occupied there is no reason for preferring a candidate merely because he is an engineer.

The committee also places much stress upon education. Other things being equal, a man with college or university training should be preferred. Prospective managers will do well to take at least one year of graduate work at one of the universities which offer training in the field. A young man who has completed such special training may become the manager of a small city or an assistant to the manager of a large city.

The city manager profession is still a hazardous career and an ambitious youth may well hesitate before deciding to spend a year in postgraduate study in preparation for it. But the risks are unduly increased by the difficulties which will confront him when he comes to seek employment on the strength of his master's diploma. Graduates of engineering schools, medical colleges, and the like, must undergo a period of apprenticeship after graduation. It is proper that our young prospective managers should do likewise, but it is their right that opportunities for apprenticeship be provided them.

At present it is a rare manager who is permitted to take on apprentices. Under present conditions a beginner may complete the period of educational preparation which the Managers' Association considers necessary and yet never succeed in landing an apprenticeship. This uncertainty discourages many who otherwise would be perfectly willing to assume the political hazards of the profession once they were properly started on their career.

The City Managers' Association has performed a useful function in setting forth the qualities which make for success in a manager. In its early days, when job specifications were not well developed, the movement suffered from misfits in the profession. Fortunately, largely through the efforts of the organized managers themselves, we now know rather clearly what sort of people hold a promise of becoming successful managers.

*

Housing for the Poor

Asserting that apartments which rent for $15 per room and upwards do nothing to solve the housing problem in New York City because the city is already supplied with more apartments than it needs at these levels, the City Affairs Committee of New York declares that municipal housing construction can provide unsubsidized modern apartments to rent as low as $7.50 per room, provided these apartments are not built on Manhattan. The city, it believes, can construct buildings to rent at this figure for which speculative builders would have to charge $12 and limited dividend companies $9.00 per room, per month.

In building such low-priced apartments, the City Affairs Committee believes that the municipality would have a great advantage over private and limited dividend corporations. The city could borrow money on fifty-year bonds at a maximum of 4¼ per cent with .9 per cent amortization, whereas limited dividend corporations must pay 5 per cent for mortgages, 6 per cent on stock, and amortize at the rate of 3 per cent annually.

The proposal includes a new law giving the city statutory power to create a housing authority to function in a manner similar to the Port Authority. Preference in occupancy would be given to tenants who now occupy old law tenements (the Committee estimates that 1,500,000 persons are still housed in such tenements); and only those whose family income is less than $3,000 a year would be admitted.

The editor of this magazine is not a real estate expert, but he seriously questions some of the Committee's estimates of costs. Fifty years appears an excessive period in which to amortize construction such as is proposed for these apartments.

Interest charges of 4¼ per cent are based upon the pledging of the full faith and credit of the city, but if the municipality went into the housing business extensively there is no assurance that the rate would remain at this level. The City Affairs Committee asserts that the city's legal borrowing capacity could not be affected as the housing bonds would be outside the debt limit. But it cannot be denied that such issues would influence the city's credit even if the houses are wholly self-sustaining.

Whether the apartments would pay their way at the attractive rentals suggested is debatable. Even if a saving of one per cent in interest is maintained it will mean a saving of only $1.00 per room, per month, or $12.00 per room, per year. But unless the city proves a more efficient builder of houses than it has of other public works, this saving in interest may easily be absorbed by high construction costs. It is well known that construction costs vary widely among private builders, and it is questionable to assume that the city would prove as efficient in housing construction as the limited dividend companies.

It is true that, although they are not governmental obligations, the loans of the Port Authority have been placed at favorable rates. But the Authority's undertakings are proving extraordinarily profitable and, therefore, probably more attractive to investors than housing projects would be. It is doubtful if the financial success of the Port Authority is a sound precedent for housing undertakings at the price proposed for New York City.

But even if the estimates of the City Affairs Committee are over-optimistic, we are indebted to it for calling attention again to the necessities of low-wage earners and the importance of providing accommodations for them which existing methods cannot supply. Wage levels and construction costs being what they are, municipal housing projected on a self-supporting basis will not alone furnish the relief needed. A more fundamental attack must be made. The question is not so simple nor the solution so easy as the City Affairs Committee believes. Rectification of past mistakes usually costs money.

HEADLINES

A state police force to suppress major crime and to regulate traffic but not to enforce the prohibition laws is proposed in Missouri and comes up for action at this session of the legislature.

* * *

An emergency deficiency bill is before the Utah legislature for the first time in the history of the state. The state board of examiners has called a halt on further over-appropriations.

* * *

Citizens of Penn Yan, New York, believe in Santa Claus. They all received a Christmas present this year when the municipally-owned power plant sent each consumer a receipted bill for electric current for December.

* * *

Chicago's financial troubles are far from ended. The board of tax review announces that it intends to cut all county real estate assessments from ten to fifteen per cent because of "obvious decline in property value during the past year." Since the budget did not take this into account, the sailing looks rough.

* * *

Reapportionment is a serious issue this year in states whose boundaries include large cities. Governor Emmerson of Illinois recommends reapportionment to give Chicago a "fair break," and Lieutenant Governor Dickinson of Michigan urges the senate to settle the question without delay.

* * *

Mayor Curley of Boston announces provision for a trust fund which will eventually reach $26,112,000 and will assure the city an annual gift of $1,250,000 for the public welfare department.

* * *

A record budget for $96,000,000 for operating the public schools of Chicago during 1931 is drawn up by the board of education.

* * *

Deficits appear to be the order of the day. Chicago's will reach nearly $73,000,000; Detroit's will exceed $21,000,000; and Philadelphia's will be approximately $10,000,000.

* * *

A vigorous campaign is being conducted in Illinois in behalf of legislation to permit all cities and villages in that state to adopt the city manager plan upon popular referendum.

* * *

General revision of the tax laws of Georgia, submission of a constitutional amendment authorizing the classification of property for tax purposes, the enactment of an executive budget act and the creation of a permanent tax commission are among recommendations in the report of Dr. H. L. Lutz, who has just completed a survey of the financial system of Georgia.

Iowa is seeking new sources of revenue to cut down the burden on the state property tax. Among proposed measures are a fifty per cent increase of the cigarette tax rate, a personal income tax, a corporation franchise tax and a billboard tax.

* * *

A proposed amendment to the state constitution of Texas providing for county home rule has been submitted to the Texas legislature.

* * *

Asheville, North Carolina, put all its money in a bank, and the bank closed its doors. Colonel Sherrill in a recent speech there urged city-county-school consolidation under the manager plan and a loan from the state as the only way out.

* * *

Adoption of income tax for Michigan is recommended by the state commission of inquiry into taxation in a report prepared for Governor Grant and the 1931 legislature.

* * *

Rich property owners of Miami Beach, Florida, have launched a campaign to rid the city of gambling resorts, threatening to withdraw millions in investments if their protests go unheeded.

* * *

Supervisors of Westchester County, New York, have been collecting in fees anywhere from $5,000 to $25,000 a year, the townships nearest New York City producing the highest emoluments. The board now urges passage of a law putting all supervisors on a fixed salary of approximately $7,500.

* * *

State control over the government of Fall River, Massachusetts, is provided in a bill introduced in the state legislature and sponsored by Fall River business and industrial leaders. The measure would vest in the governor the power to appoint a board of finance of three members to supervise the financial affairs of the city and to select its fiduciary officers. The governor would have authority to remove any employee of the city with the advice and consent of the executive council on request of the board.

* * *

Reapportionment of California's congressional and assembly districts on the basis of population is provided in a bill introduced in the state legislature by Assemblyman West of Sacramento. The West bill gives Los Angeles six of the nine congressmen, and Los Angeles would gain nine additional assemblymen.

* * *

Permanent registration for Kansas City, Missouri, will probably be provided at this session of the Missouri legislature. A bill on this subject has been drafted by the Board of Election Commissioners of Kansas City and the Kansas City Public Service Institute.

* * *

Reorganization of the government of Jackson County, Missouri, is provided in a bill before the state legislature. Elimination of several elective officers and the consolidation of several departments is included.

HOWARD P. JONES.

ITEMS IN N. M. L. PROGRAM BEING CONSIDERED BY STATE LEGISLATURES

BY EDNA TRULL

Municipal Administration Service

PRACTICALLY all the legislatures are meeting this winter and readers of the REVIEW may be interested in knowing something of the extent to which certain planks in the platform of the N. M. L. are being considered by statute law makers. The following brief survey is suggestive rather than comprehensive. Doubtless many other measures of similar nature are being introduced of which we have no information at the time of going to press.

STATE REORGANIZATION

The movement for state reorganization with consolidation of administrative agencies is still moving along. The Brookings Institution made a survey of the government of North Carolina which has become the basis of Governor Gardner's proposal for a general program of integration with a short ballot and centralized administration. Maine and Arkansas will act on the proposals made in last year's survey by the National Institute of Public Administration. Missouri is to consider a bill proposing a survey of its administrative organization and making an appropriation for the study. Success is predicted there for the constitutional amendment shortening the state ballot to two elective officials. In California bills on administrative consolidation and general constitutional revision have been introduced. The New Jersey legislature is confronted with more than a score of measures, introduced by the so-called Abell Commission, which if passed will reorganize the state's administrative structure to a limited degree. The comprehensive recommendations in the survey and report conducted by the National Institute of Public Administration in 1929 have not as yet received the attention from the New Jersey legislators which their merit deserves.

COUNTY MANAGEMENT

The impetus towards reform has reached county government. In Ohio and Texas so much general criticism has been directed against the county that groups of citizens have met to urge and formulate legislation giving general home rule authority to counties. In Ohio the bill proposed that counties or rural municipalities might upon affirmative vote of a majority of electors create charter commissions whose work will be effective upon approval by the voters concerned. No single form of government is specified, but the manager plan is one of the alternatives suggested. The same kind of home rule amendment is proposed for the Texas constitution in relation to the larger counties. The Oklahoma legislature has before it a proposal for county home rule. North Carolina considers that county government can best be improved and financial distress relieved by the consolidation of counties or of county and city. In one of these combinations, that of Buncombe County and city of Asheville, the proposal is that the new government be under a single manager.

The California commission on county

home rule has delivered its recommendations to the legislature. In Delaware there is some agitation for a simplification of county government, but its proponents are not optimistic about action this year. Legislators in Montana are advocating improved local government and directing their energies particularly to the manager plan for counties. A measure to the same end is being prepared in Florida. Jackson County (Kansas City) is presenting to the Missouri legislature a plan for its reorganization, with consolidation of departments, a short ballot and model budget provisions (but not a county manager). The question of improving local government is receiving some attention in New York, and may result in the authorization of a commission to recommend changes.

CENTRAL PURCHASE

In the realm of finance, centralized purchasing is a prominent issue. Maine, New Jersey, North Carolina and Rhode Island legislatures are to decide whether or not they want to establish agencies for this purpose. The Rhode Island expectation is that this will lead to a centralized system of expenditure and accounting. The bonded indebtedness of local units in North Carolina and Rhode Island has aroused sufficient concern to cause consideration of more exact limitations upon bond issues under strict supervision by state agencies.

CITY MANAGER CHARTERS

City manager charters are being presented to their respective state legislatures by St. Petersburg, Florida, and Waterbury, Connecticut. Waterbury, fearing failure of its manager plan but realizing the trend toward better government, proposes an alternative which embodies many of the administrative advantages of that plan. Wilmington, Delaware, does not ask so much but hopes at least to achieve authority to centralize its accounting procedure. In Rhode Island the town of Warwick is aspiring to the degree of home rule afforded by incorporation under a charter.

ELECTIONS

The Model Election Administration System proposed last summer by the National Municipal League has already influenced concrete legislative proposals. Washington has used this with special emphasis on permanent registration. Kansas City is hoping to have the Missouri legislature authorize permanent registration there. An Illinois commission on election laws has been working on a report which includes legislation for this session. The New York legislature will consider measures for improving its election laws. In Pennsylvania an Election Law Reforms Conference, composed of delegates from a number of important organizations, is preparing an election code with constitutional amendments and the necessary laws.

Governor Roosevelt of New York asks the passage of bills organizing machinery for state referendum on amendments to the federal constitution, and a limited popular initiative of amendments to the state constitution.

The National Municipal League is proud to have played its part in the movements in which the foregoing legislation marks definite progress. Not all of the measures will prevail and some which will succeed in the legislature will fall short of perfection. Nevertheless, they should bring a bit of cheer to all those interested in the attainment of more effective government.

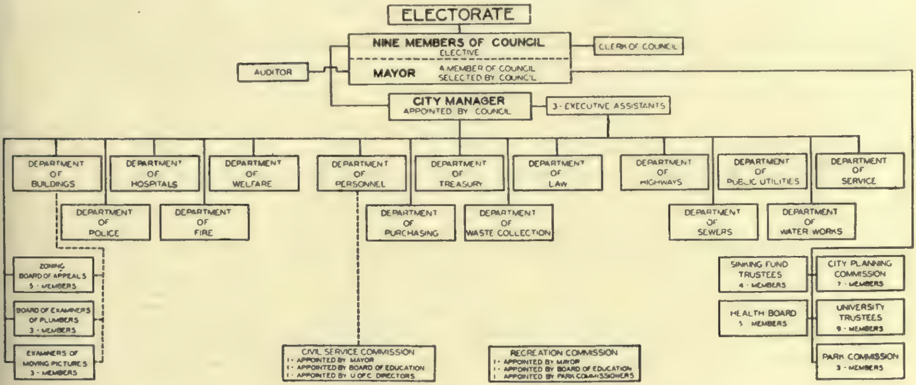
ADMINISTRATIVE REORGANIZATION IN CINCINNATI

BY EMMETT L. BENNETT

University of Cincinnati

Cincinnati's new administrative code is a marvel in simplicity. Number of departments is reduced to four, with five independent non-departmental staff offices. Power is vested in manager to organize subdivisions and bureaus. :: :: :: :: :: :: ::

THE Cincinnati city charter provides agencies independent of the city manager for the conduct and management of city parks, public health work, public recreation, and the University of Cincinnati, as well as the city auditor and a few minor functions besides. It provides that the city manager shall appoint a city solicitor; a city treasurer; a superintendent of water works; a superintendent of hospitals; a director of public utilities, whose principal functions under the charter are regulatory rather than operative; and a personnel officer, who serves also as secretary of the civil service commission. The charter also required, at its adoption in 1926, the provision shortly thereafter of "an administrative code providing for a complete plan of administrative organization of the city government."


ELECTORATE
NINE MEMBERS OF COUNCIL
ELECTIVE
MAYOR
A MEMBER OF COUNCIL SELECTED BY COUNCIL
CLERK OF COUNCIL
AUDITOR
CITY MANAGER
APPOINTED BY COUNCIL
3 - EXECUTIVE ASSISTANTS
DEPARTMENT OF BUILDINGS
DEPARTMENT OF HOSPITALS
DEPARTMENT OF WELFARE
DEPARTMENT OF PERSONNEL
DEPARTMENT OF TREASURY
DEPARTMENT OF LAW
DEPARTMENT OF HIGHWAYS
DEPARTMENT OF PUBLIC UTILITIES
DEPARTMENT OF SERVICE
DEPARTMENT OF POLICE
DEPARTMENT OF FIRE
DEPARTMENT OF PURCHASING
DEPARTMENT OF WASTE COLLECTION
DEPARTMENT OF SEWERS
DEPARTMENT OF WATER WORKS
ZONING BOARD OF APPEALS 5 - MEMBERS
BOARD OF EXAMINERS OF PLUMBERS 3 - MEMBERS
EXAMINERS OF MOVING PICTURES 3 - MEMBERS
CIVIL SERVICE COMMISSION
1 - APPOINTED BY MAYOR
1 - APPOINTED BY BOARD OF EDUCATION
1 - APPOINTED BY U OF C DIRECTORS
RECREATION COMMISSION
1 - APPOINTED BY MAYOR
1 - APPOINTED BY BOARD OF EDUCATION
1 APPOINTED BY PARK COMMISSIONERS
SINKING FUND TRUSTEES 4 - MEMBERS
HEALTH BOARD 5 MEMBERS
CITY PLANNING COMMISSION 7 - MEMBERS
UNIVERSITY TRUSTEES 9 - MEMBERS
PARK COMMISSION 3 - MEMBERS

ORGANIZATION OF CINCINNATI'S GOVERNMENT DURING COLONEL SHERRILL'S ADMINISTRATION

FIFTEEN DEPARTMENTS UNDER FIRST MANAGER

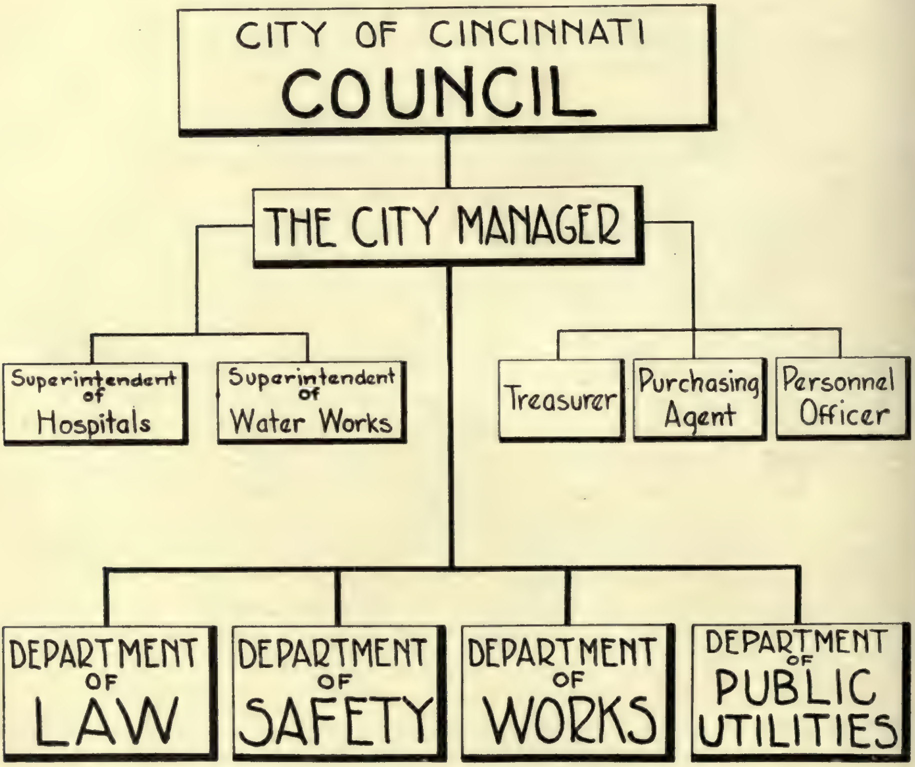
Pursuant to this provision, the council early in Colonel C. O. Sherrill's administration enacted an administrative code embodying an organization suggested by the manager. It erected fifteen departments whose designations appear in the accompanying chart, which is taken from the last number of *Municipal Activities* issued by Colonel Sherrill. Most of the titles express the scope of their departments well enough to require no catalogue. The department of service was in charge, however, of the city garage, the city workhouse, city hall, wharves and docks, the municipal airport, markets, weights and measures, and perhaps some other activities.

The three executive assistants to the manager were not mentioned in the administrative code, and in theory had no powers in their own right. Each aided the manager in the handling of the mass of detail which came from departments to the manager's office.

When C. A. Dykstra became city manager of Cincinnati in June, 1930, he made no immediate move to change his predecessor's organization plan. The death in September of one of the executive assistants left a vacancy which was not filled. Early in November, however, Mr. Dykstra presented to council, and council duly passed an ordinance which in form repealed the prior administrative code *in toto*, and enacted in its stead a new code.

NINE MAJOR UNITS UNDER NEW CODE

The plan of organization embodied in the new code reduces the number of major organizations under the city manager to nine, of which only four are designated as departments. The other five are referred to each by the title of the officer at the head, that being fixed by charter in four cases. The organization appears in the accompanying chart which was prepared for the use of the council in considering the new code.


CITY OF CINCINNATI
COUNCIL
THE CITY MANAGER
Superintendent of Hospitals
Superintendent of Water Works
Treasurer
Purchasing Agent
Personnel Officer
DEPARTMENT OF LAW
DEPARTMENT OF SAFETY
DEPARTMENT OF WORKS
DEPARTMENT OF PUBLIC UTILITIES

PRESENT ORGANIZATION OF CINCINNATI'S GOVERNMENT

The department of law suffered no

changes. The department of public utilities was given a few new functions, namely, traffic engineering, traffic lights, and the management of the airport.

Into the newly created department of public works were placed functions of the prior departments of sewers, of highways, and of waste collection, and from the old department of service, wharves, docks, and city hall. The code does not establish any divisions or bureaus within this department.

The newly created department of safety includes a formally established division of buildings, succeeding to the duties of the prior department of buildings; a formally established division of welfare, succeeding to the duties of the prior department of welfare, and taking over the workhouse from the former department of service; a police force and a fire force, established as such but not as formal divisions or bureaus; and the inspection of weights and measures, taken over from the former department of service.

The treasury, the purchasing office, the personnel officer, the water works, and the hospitals, were changed in matters of terminology and status, they being no longer rated and named as departments.

The new code authorizes the manager to organize divisions, bureaus, etc., within the departments and offices created by the code as the needs of the service require, and to assign duties and functions not specifically assigned by the code.

Neither the new code nor the old includes provisions as to procedure and certain other matters normally found in administrative codes, for the reason that the amendment of most of the matter included requires a vote of seven-ninths of the council. It has been considered wise in the circumstances not to place in the administrative code matters which require only a majority vote. Neither Mr. Dykstra nor the council professes that this is the last word in administrative organization and administrative code making. The charter control fixed certain features so firmly as to render pointless any consideration of the effects of changing them. By the condensation of eight departments into two, the manager expects to be able to secure a more wieldy organization, to free himself of a mass of detail, and to achieve a measure of coördination difficult to attain with a greater number of independent departments.

IRREGULARITIES IN CUSTODY OF STATE FUNDS IN MISSOURI

BY MARTIN L. FAUST
University of Missouri

Failure of a county bank holding state deposits reveals irregular practices for which the state treasurer denies responsibility. Governor's suspension of treasurer as provided by law declared unconstitutional. Weaknesses in Missouri's treasury system. :: :: :: ::

If there is one office in the long list of elective state offices where the principle of popular election has been thoroughly discredited, it is without question the office of state treasurer. An investigation by the writer in 1924 revealed that misfeasance in the treasurer's office was an almost chronic condition in many of our state governments.[1] In the handling of state funds by the official custodians, personal integrity and rugged honesty, not to mention genuine competence and good judgment, were found to be the exception and not the rule.

BANK FAILURE LIFTS THE LID

The state of Missouri furnishes the most recent example of political financiering in the handling of public deposits. Lifting the lid on the state treasurer's office has been the result largely of certain bank failures and the acts of a courageous and conscientious governor. On October 14, 1930, Governor Henry S. Caufield issued a formal proclamation suspending from office State Treasurer Larry Brunk.[2] The governor found a legal basis for his action in statutory provisions which require such suspension, if the treasurer makes false statements in his monthly reports to the governor, or makes deposits and withdrawals of the state's funds in a manner not provided by law.[3]

The specific malpractices of the treasurer center around his dealings with the Bank of Aurora, his hometown bank. This country bank closed its doors in June, 1930. The examiners' report showed that the defunct bank held $23,011.05 in notes signed by Treasurer Brunk; that it also had on deposit about $273,000 in state funds. The auditors' report revealed and the governor's formal notice charged that the Bank of Aurora for the period of January 1, 1929 to May 30, 1930 failed to remit to the state $4,903.01 of interest due the state; that the Bank of Aurora retained and converted to its own use a part of this amount, depositing the balance of $2,950 in a special account known as the Brunk rent account; that against the latter account various amounts were charged which were used to pay debts owed the Bank of Aurora by Treasurer Brunk.

TREASURER PASSES THE BUCK

The state treasurer in reply to the governor's charges issued a formal statement asserting his innocence and declaring a lack of knowledge of the transactions cited by the governor. He cited that the state fund board composed of the governor, treasurer, and attorney-general determined and supervised the deposit of state funds in the Aurora bank; that the inaccuracies in interest payments were due to the errors of his chief clerk who failed to make proper mathematical calculations of interest receipts; that the creation and existence of the "Brunk Rent Account" in the Bank of Aurora were entirely unknown to him, and, therefore, he could not be a party to any conversion of interest funds unremitted.[1] The treasurer's statement was simply the old political game of passing the buck.

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[1] Martin L. Faust, *The Custody of State Funds*, National Institute of Public Administration, 1925.

[2] St. Louis *Post-Dispatch*, October 15, 1930.

[3] Section 13,337, Revised Statutes of Missouri, 1919.

In suspending Treasurer Brunk, the governor directed the attorney-general to institute *quo warranto* proceedings in the supreme court to oust Brunk from office. In reply to the ouster proceedings, Brunk's attorneys attacked the constitutionality of the law upon which both the suspension and the ouster proceedings were based, contending that impeachment by the legislature is the only legal means of removing from office a constitutional elective officer, such as the state treasurer. The answer of the attorney-general to the constitutional question was that the Missouri constitution, being one of limitations upon the legislative power, does not forbid the legislature from passing a law providing means for removal of the state treasurer for cause.

COURT DENIES SUSPENSION POWER TO THE GOVERNOR

In a decision handed down on December 31, the Missouri Supreme Court overturned the suspension order of Governor Caufield and held unconstitutional the statute which purported to give the governor the removal power.[2] All the judges concurred in the opinion, except the chief justice, who was absent in Florida. The opinion pointed out that the state treasurer's office was created by the constitution, which fixed his term of office, and provided that the treasurer was subject to impeachment; that the provision of the constitution, enumerating the causes for which the state treasurer may be impeached, namely, for high crimes and misdemeanors, or official misconduct or oppression, was an implied prohibition against legislation providing for his removal for any other causes or in any other manner. The practical effects of this decision were to bring about the immediate reinstatement of Treasurer Brunk, to prevent a consideration of the case on its merits, and to deny to the governor responsibility for the conduct of elective state officials and their subordinates. The legislature convened January 7. Further action in the matter now rests with that body.

BAD FEATURES OF PRESENT SYSTEM

That the present system of handling the public funds of the state of Missouri is seriously defective in many particulars is plainly evident from the Brunk incident. Integrity and administrative capacity cannot be created in public officials by passing laws. But present objectionable conditions and obvious defects can be materially improved by making mandatory certain changes. A summary of the worst features of the system may prove of interest, since these are in fact illustrative of conditions only too widely prevalent in our state governments.

In the first place, the salary of the state treasurer of Missouri is inadequate, and his office is tied up with too many other official duties entirely foreign to the main functions of his office.

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[1] St. Louis *Post-Dispatch*, October 19, 1930.

[2] St. Louis *Post-Dispatch*, January 1, 1931.

In Missouri, for example, the office pays a salary of $3,000 per annum; in addition, the treasurer receives $1,200 per annum as a member of the board of permanent seat of state government; $250 per annum as a member of the state fund commission; five dollars per day as a member of the board of equalization (that is for every day the board is in session). The treasurer is also a member of the public printing commission. Managing the property of the state located at Jefferson City, equalizing assessments, and supervising public printing are duties hardly germane to the office of state treasurer.

The office of state treasurer, in the second place, is established on a basis which is fundamentally unsound. In Missouri, as in other states, the state treasurer is a constitutional elective officer. As the recent Missouri decision strikingly demonstrates, this constitutional status removes him from effective control either by the governor or by the legislature. The impeachment process is a too cumbersome device to be practically effective. State treasurers can hide behind their constitutional status, and thus evade supervision and responsibility in the conduct of their office. The Missouri legislature of more than half a century ago had the right idea when they sought to bring the office of the state treasurer under the continuous supervision of the governor. As long as the state treasurer is an elective officer, his office will be in politics, and political considerations will be a decisive factor in the distribution of the public deposits.

HUGE DEPOSITS IN OBSCURE BANKS

When we turn to the details of the state depository law, we find numerous defects that are potential sources of serious abuses in the handling of the public funds. For example, under the present law, the amount of state funds placed in any one bank does not necessarily bear any relation to the capital and surplus of the particular bank. It is a fundamentally unsound and vicious system that permits the pouring of hundreds of thousands of dollars of state funds into obscure banks, simply because those banks can pledge collateral that satisfy the legal requirements. A few citations here may be in order. The following statistics on the state deposits of specific banks together with the capital and surplus of the banks are taken from the state treasurer's report of 1928 and the report of the commissioner of finance of 1926, respectively:

Bank of Argyle	
Capital and surplus	$21,500
State deposit	100,000
Bank of Aurora	
Capital and surplus	75,000
State deposit	234,442
Nevada Trust Co.	
Capital and surplus	58,000
State deposit	350,000

Similar situations equally as bad might be cited. Political banking can readily flourish when state funds are apportioned without reference to the capital and surplus of the bank depositories. The notorious Len Small scandal of Illinois was a by-product of just such a system. The Bank of Charleston at Charleston, Missouri, in January of last year, had to close its doors, because it could not pay a state check of $300,000, although the bank had seven months' notice. The state deposit was approximately one-half of the total deposits of the bank. The bank had a capital of $100,000 and a surplus of $50,000. As a legislator once remarked, putting huge state deposits into a small bank with a limited capital and surplus "looks too much like putting a $100 saddle on a $20 horse."

SECURITY REQUIREMENTS INADEQUATE

The Missouri law is also singularly weak in the matter of the security requirement. It is possibly an unfortunate commentary upon our systems of state government that the state requires its own banks to deposit collateral to protect the state deposits, although individual depositors are not afforded such protection, but must take a chance on the effectiveness of state banking supervision. From the standpoint of the safety of the state funds, experience certainly warrants the security requirement. The pledging of real estate mortgages and the use of personal surety bonds are objectionable features of the Missouri system. State and federal government bonds and bonds of reputable surety companies are a much more satisfactory guarantee for the safekeeping of public moneys. Furthermore, they reduce the administrative task to a minimum. Reputable surety companies also exercise a rather close supervision over the banks bonded, thus affording an additional safeguard to the state.

Missouri is one of a number of states using a system of competitive bidding for the distribution of the state deposits. While such a system is entirely sound in principle, it does require extra vigilance in order that the state moneys do not fall into the hands of highly speculative banking institutions. Bidding should be restricted to high-class banking institutions, successful bidders should not be allotted funds out of proportion to their capital and surplus, and collateral should be restricted to high-class bonds or corporate surety bonds. The Missouri system fails in all these particulars.

In conclusion, it may be desirable to mention other features that might improve the handling of the state's cash and save thousands of dollars to the state annually. Better synchronization of receipts and disbursements and more careful timing of bond issues would tend to reduce to a minimum the large cash balances, which after all are an expense to the state. The development of a forecasting system, greater use of time deposits, investment of surplus cash in short-term notes, and watching more closely the money market might all effect great economies in treasury management.

A particularly bad feature of the Missouri system is the special fund system. The state maintains more than fifty special funds. Such a segregation of cash renders the treasury completely immobile, and necessitates the carrying of large amounts of surplus cash that might otherwise be put to more effective use. Adequate publicity and effective accounting control are additional weak spots. The Brunk incident abundantly testifies that these two elements are lacking under the present régime.

WHY NOT A TAX DISARMAMENT CONFERENCE?

BY C. A. CROSSER

Secretary, Des Moines Bureau of Municipal Research

The time has come to organize the tax reduction advocates. Tax spenders have received too much attention. :: :: :: ::

WHY not call a national conference for the limitation of local and state taxes as the London Naval Conference agreed to limit naval armaments?

Do not the same general principles apply? Nations' armaments increase by competition with one another. Local and state taxes are boosted in much the same way when one taxing subdivision adds services because others are doing so.

Was not one reason for the London Naval Conference the desire of the taxpayers for relief? Is not the complaint heard all over this nation that local taxes are becoming an intolerable burden?

The calling of such a conference might be under the highest auspices, possibly the United States Chamber of Commerce, the Conference of Governors, the National Municipal League or possibly the President who displays such a keen interest in economic conditions. Such gathering should include as delegates not only public officials who spend the tax money but also a representation of property-owners who pay taxes, thus bringing together the two paramount interests in the tax problem. Here and there spasmodic efforts have been made to hold down taxes through the introduction of governmental economies, but a tangible nation-wide result can only be attained by a nation-wide understanding.

The farmer makes a good case as to the burden of taxes on his income. The business man and industrialist can also make a showing as to how taxes are eating up profits and diverting into governmental channels sums which they might use for business expansion. The average white-collar worker is beginning to doubt the old dictum about its being cheaper to own a home than to rent, with the result that he is moving into apartments and paying a smaller volume of taxes through his rent than if he owned a house and lot and carried heavy general and special assessment taxes. Will the new census show a decline in home ownership, and are high taxes one of the influencing factors?

DO CONSTITUENTS DEMAND EXPENSIVE SERVICES?

The stock argument by public officials advocating higher taxes for enlarged public works or services is, "Our constituents demand it." It may be granted that the American taxpayer is a Dr. Jekyll and Mr. Hyde when it comes to taxes. He is Dr. Jekyll in his amiable acquiescence to new improvements, but Mr. Hyde in his denunciation of public officials when he gets his tax bill. The reason for his appearance in these two different personalities is that his limited information does not give him the facts with which to weigh his conclusions.

What are some of the factors working for increasing taxation?

The most obvious is the expenditure

increase resulting from population growth. More pupils mean more teachers and a larger school cost. More dwellings require additional fire stations to protect them. To some extent these increases are unavoidable. But if the community wealth or income kept pace with the tax increase, the individual tax burden would not be much affected by population growth. Whereas frequently in industry, the larger the volume of production the smaller is the unit cost, in public operations, the larger the city, the higher is the per capita cost; probably because the bigger the city, the more frills are added to public services.

TOO MUCH ENTHUSIASM

Another factor boosting taxes, is the constant enlarging of public services. What were considered outside the realm of legitimate governmental operations a generation ago, are now considered worthy of tax support. But where do many of these governmental elaborations come from? Many originate with educational, recreational and sociological enthusiasts whose vision of the ideal city may be broader than the community's pocket-book. These enthusiasts usually start by stating that such and such neighboring city has a certain public improvement or service, therefore, we ought to have it. And so these ideas spread like wildfire from community to community. But when one expresses a timid doubt regarding the necessity for such and such a project because of the expense, these boosters argue, "The public demands it," when as a matter of fact, they themselves originated the scheme and created this "demand" by the public. It comes back to the old principle that anyone can be convinced of the desirability of owning a mansion with servants, if he doesn't have to consider the source of the money to pay for it.

Further tax boosting influences emanate from the frequent "per capita" or "model" standards. Certain national groups particularly in the fields of education, recreation, health or sociology have set up "per capita" targets toward which they assert every city in a certain population group should aim. Then these enthusiasts return home from their national gatherings, and if they find that their city spends less per capita for such particular public service, they make it their business to see that it soon attains such standard. The estimate of such per capita units is usually based on expenditures in those communities which afford the very highest quality and quantity of the particular public service. Thus, irrespective of local peculiarities and economic conditions, the tendency is to push all cities to an advanced spending level. "Model" health departments, park systems and the like are promulgated in the same way. If any one community were to adopt all these various "models" and "per capitas," it would probably double its present tax rate. However these "models" and "per capitas" do offer an inestimable benefit as eventual attainments when communities can afford them.

The foregoing must not be confused with certain other measuring-sticks of public administration which are now being worked out and which are of a different category, and really result in economy and tax saving. These are the standards of public service which are being formulated under the auspices of the National Municipal League, the International City Managers' Association and others. These particular measuring-sticks of public administration emphasize work to be accomplished at the lowest reasonable unit cost. It is obvious that such practices as efficient public purchasing, budget control, simplified record keeping constitute sound standards of economical and efficient public service.

BENEFITS FROM PUBLIC SERVICES

Many public services, particularly education and recreation, have been invested with a glamour which makes criticism of them a matter of heresy. Public services in themselves bring no benefits except as they add to the well-being of the individual citizens in the community. There may be a point after which their development really constitutes a detriment to the average citizen when the price he has to pay for them is considered.

Local assessments for street widenings and other elaborate highway improvements are all predicated upon an inevitable increase in the values of adjoining or abutting property. Yet there are numerous instances where the constant piling up of local improvements has actually wrung all market value out of the real estate they were supposed to benefit.

Among other over-stressed appeals is the frequent argument that by supporting an elaborate park, public hospital, or recreational program, for example, the expenses of police departments, penal and other poor relief activities will be reduced. But the fact remains that such off-setting economies rarely materialize as a tangible relief to taxpayers.

It may be granted that there are no theoretical limits to the scope of education or its attending benefits. We might set up the goal of "a Ph.D. for every child." Junior colleges, multitudinous courses in elementary and high schools and universities, are among educational features not dreamed of a generation ago. It is only a step to senior colleges in every large community. At the same time the taxes for education are a never-receding flood rising with the tacit consent of an indulgent public. But irrespective of the theoretical benefits of education, there is a real limit in the ability of the people to pay for it.

In short, have not many of these real or fancied benefits from public services reached a point where their supporting is beginning to or will soon reduce the economic well-being of the average American family. Particularly in view of the economic depression of the past year which will be reflected in tax payments for the next year or two may it not be timely at least to analyze the matter. Incidentally with respect to business depression, it appears to be a fact that while private enterprises and consequently families, may be compelled to make reductions in overhead expense during hard times, governmental services both national, state and local apparently are the most difficult to force into similar reductions. Once taxes supporting public operations are pushed up to a certain point, it is next to impossible ever to bring them down.

WHAT A TAX DISARMAMENT CONFERENCE MIGHT DISCOVER

Obviously it is improbable that definite standards can be worked out at one conference but discussion might at least be focussed on some of the following points with the expectation that in a few years certain tangible standards may be formulated.

1. Limitation of taxes. What is a reasonable limit of taxes on the market value of realty which, in this country, bears the largest share of taxation? Tax rates on city real estate now average between two and three per cent of market values. Should they be limited to this ratio or can they be safely raised to four and five per cent, a point which they will reach in a few years unless checked.

2. What are the measuring-sticks by which a community's wealth and income can be gauged as an index as to the amount of taxes that can be safely levied? A long step toward casting light on the tax problem might be achieved if it were only possible to determine the aggregate of community wealth and income for any city. Such information is not now readily available and the best one can do is to trace certain factors indicating the year by year status of community assets, such as assessed valuations, bank debits, value of new building operations and industrial payrolls. When taxpayers argue with public officials that taxes ought not to be increased because the assessed valuations of realty and personalty have not been raised over the previous year, those advocating higher taxes for additional public services retort that the community has much unassessed wealth which if reached would permit reduction in taxes on realty.

3. Limitation of public services. Anyone familiar with governmental operations knows how year by year new public activities are elaborated or new ones added. But are there any reasonable limits to public services, particularly as related to the community's ability to pay for them.

What is a reasonable limit to public education? To what extent should our state universities provide special courses or colleges in every conceivable line largely because heavily endowed private institutions have them. How far are we from providing complete courses for adult instruction in our public schools?

How far should communities go in the matter of public operation of what are now considered within the province of private business such as coal and ice yards, gasoline distribution or even the selling of provisions such as was done in some places during war time. In the last generation we have seen cities go into the business of selling water, and to a lesser extent, electric light and power manufacture and distribution and street railroad transportation with some notable successes and many notable failures.

What is the reasonable limitation to the furnishing of recreational facilities, parks, playgrounds, natatoriums, auditoriums, zoölogical gardens, municipal bands and orchestras and the like?

Public contributions to poor relief and other humanitarian enterprises have been increasing by leaps and bounds in the past few years. We now have firemen's, policemen's, teachers', blind and widows' pensions in many states. We are not far from old age pensions, with all that implies in the way of additional expense. To what extent should cities provide free medical service through large hospitals and clinics? In this phase of tax supported public services, do we not face the possibility of actually impoverishing the many for the sake of a smaller group of unfortunates?

TWO VIEWPOINTS

During the summer months the newspapers and periodicals are filled with the doings of the national gatherings of the various organizations which are immediately concerned with the spending of public funds. All such groups emphasize the spending interest, or elaborate this or that type of public service.

A gathering such as here suggested would at least give expression to the contrasting viewpoint which emphasizes tax conservation and tax reduction.

"ROTTEN BOROUGH" REPRESENTATION IN OHIO

BY F. R. AUMANN

Ohio State University

The vanishing farmer maintains his grip on Ohio politics.

SINCE the World War the movement cityward has gone forward steadily in Ohio. The 1930 census indicates the increasing scope of this movement. In that report, all of the "big city" counties registered gains. On the other hand, the counties which are rural in character suffered a considerable setback in the matter of population. This is not strange when one considers some of the trends of recent years. From 1920 to 1930 no less than 37,036 farms went out of existence in this state. This is 14.4 per cent of the total number of farms.[1] In consequence the number of persons engaged in agriculture and the number of persons engaged in commercial activities in small trading centers, dependent on the farm population, have become smaller.

FARMERS DECREASE IN NUMBERS BUT MAINTAIN POLITICAL STRENGTH

Despite losses in numbers there seems to be no measurable diminution in the political strength of the farm element. Since the pioneer days of the state with its strictly agricultural economy, this interest-group has maintained a very considerable influence in Ohio politics. From time to time, as political dynasties arose and fell, the leadership of the dominant party may have shifted from the rural areas to some urban group, but even then when a final vote was taken on some real or fancied issue between the groups, the preponderant vote of the rural regions in the legislature could not be overridden. No important party action could be taken if the "cornstalk" element was unfavorable.

When we speak of the "cornstalk" element it is not to be supposed that the strictly "dirt-farmer" group is referred to. Such a classification would be too narrow. The "dirt-farmer" group is but an integral part of a larger class who represent the rural counties of Ohio. They are by no means all farmers. As a matter of fact, many of them have economic and social interests which in some instances conflict with those of the farmer.[2] On the whole, however, a strong bond of mutual interest among representatives of this group, coupled with a strong antagonism towards the city delegates, enables the group to present a strong front in the legislature on many important measures.

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[1] Various reasons are advanced for this decrease. It is pointed out that farms have been combined as machinery has been introduced and less workmen have been required. Then, too, land adjoining cities has been subdivided; some of the poorer marginal land has been permitted to lapse back into nonproductivity, or diverted to some reforestation project, etc. Golf courses have also taken their toll.

[2] The leader of this group during the last session of the legislature was a small-town lawyer, while the speaker of the house was a small-town banker who despite a traditional taboo against it had been elected for a third term partially at least, because his opponent was a representative from the largest city in the state.

BASIS OF REPRESENTATION ONE SOURCE OF FARMERS' STRENGTH

One might very well wonder how rural political strength is maintained in the face of the tremendous changes which have followed the industrialization of Ohio. Any attempt to answer this question would involve a number of considerations not the least of which are the constitutional provisions fixing the basis of representation in the Ohio General Assembly. By means of these provisions the rural groups through a system of "rotten borough" representation maintain a political strength quite disproportionate to their actual numerical strength.

A glance at the Ohio constitution becomes of interest at this point. By the terms of this instrument a general assembly made up of a house of representatives and a senate constitutes the legislative body of the state. Representation in the house of representatives rests partly on the territorial principle; each county in the state being entitled to one representative regardless of its population. Any additional representation, however, is based on population. Such representation is fixed by a rather complicated system of apportionment.

Following every federal census the governor, auditor and secretary of state make a reapportionment, which is to apply for the next five biennial sessions. The total population of the state as revealed by the census is divided by the number "one hundred" and the quotient is the ratio of representation in the house of representatives for the next ten years. If a county has three-fourths over the ratio thus determined it receives an additional representative. If it contains three times this ratio, it is entitled to three representatives, and so on. After the first two representatives, an entire ratio is required for each additional representative granted.

However, if a county has a fraction over the ratio, which multiplied by five equals a ratio, it receives an additional representative at one session of the decennial period; if the fraction multiplied by five equals two ratios the county receives an additional representative at two sessions; if the product equals three ratios, at three sessions; and if four ratios, at four sessions.[1] This system of representation permits a changing number of legislators from session to session.[2]

SENATORIAL RATIO

In determining the ratio for a senator the whole population of the state is divided by the number thirty-five. The state is divided into thirty-four districts, but a district having less than three-fourths of a ratio is annexed to another district, twelve being at present so annexed. A county acquiring a full senatorial ratio may separate from its district if a full senatorial ratio is left in the district. There are three such counties: Cuyahoga, Hamilton and Lucas. Additional senators are granted to districts according to the same rules as are applied to representatives.[1] This in general is the method of representation provided for by the Ohio law.

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[1] The total amount of members for the sessions, 1923–1931, inclusive, was 130, 130, 136, 133, and 128, respectively, for the house, and 35, 35, 37, 31, and 32 for the senate. Senatorial districts may be combined if the census shows that one has less than its required share of the population. Following the 1920 census, the senatorial districts were so combined that for the ensuing decade the senators allotted to each session were elected from 21 larger districts.

[2] For example, Franklin County will have four representatives in the legislature in 1931; five in 1933; five in 1935; six in 1937; six in 1939; and five in 1941. The total population of the state under the new census, divided by 100, places the basic figure for the next ten years at 66,459. Dividing the Franklin County population of 359,459 by this figure, the quotient is five and a fraction. This fraction is then multiplied by five, the number of legislative sessions in the decade, and the result is slightly more than two, so the county gets two extra representatives, one in 1935, and one in 1937. The four permitted for the next general assembly are allotted under the 1920 census.

Now for a glance at its practical operation. On the basis of the 1930 census the unit of representation for the legislature during the decade commencing in 1933 will be approximately 66,450.[2] But because each county is guaranteed one representative, many legislators actually represent a much smaller number of people. For example, Vinton County, which has a population of 10,528 has one representative, as does Pike County, with a population of 13,871, and Morrow County with a population of 13,583.

SOME EXAMPLES

Some curious results can be obtained by juggling the population figures of the several counties. For example, Muskingum County, with the thriving city of Zanesville, has a population of 67,367 by the 1930 census. That is very nearly the exact unit of representation for the next decade. Consequently this county will have only one representative during this period, although it has six times as many inhabitants as Vinton County. Muskingum County's population of 67,367 is out-voted four to one by the 52,225 inhabitants of Morgan, Morrow, Pike and Vinton Counties, who have four votes. If Noble County, with its population of 15,057, is added to this group, we have a total population of 67,282 for the five counties. Although Muskingum County has 85 more people than the total population of these five counties, it is out-voted five to one.

These five counties, with their population of 67,282, will have voting power in the house equal to that of Franklin County with its population of 359,459. This population of 67,282 also votes equally with Lucas County's population of 347,749, and Summit County's population of 345,141. Not only that, but it has one more vote than has Montgomery County with a population of 273,193. If this population of 67,282 were concentrated in one county, it would have one representative. Under the present "rotten borough" system it has five.

Or take the case of Cuyahoga County. This county, which includes the city of Cleveland, has a population of 1,201,842. In the 1931 legislature it will have seventeen representatives and in the following five legislatures it will have eighteen. But fourteen small counties of the state, each with less than 20,000 inhabitants and a combined population of only 2,226,212, will have fourteen members of the legislature in 1931. Nearly six times as many people live in Cuyahoga County as inhabit these fourteen counties, but it has only three more representatives. This is no worse than Franklin County, however. Nineteen small counties with a population of only 327,430, will have nearly five times as many representatives as this county of 359,459 inhabitants.

When the basis of comparison is widened, the significance of this "rotten borough" condition becomes more apparent. For example, although 64 counties[3] with a total population of 1,781,282 have 64 votes in the lower house, the eleven largest counties[4] with a total population of 3,921,726 have only 28 votes. Although the census figures show a tremendous growth of population in the "big city" counties, and a marked decline in the 44 counties that constitute the bulk of the rural districts, nevertheless, the one-third of the population living in these rural regions, continues to out-vote the other two-thirds of the population in the legislature.

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[1] See Art. XI, Ohio Constitution.

[2] For 1931, the representation is still based on the 1920 census, by which the unit is 57,594.

[3] None of which have more than 50,000 inhabitants.

[4] Each with more than 100,000 inhabitants.

HOW LEGISLATION IS AFFECTED

Under the present system of territorial representation, population means virtually nothing, nor does comparative wealth of the counties, nor the amount of taxes they pay. The small counties by retaining a majority in the lower house, can pretty largely control the whole legislature. Entrenched in this fashion, they may prevent legislation which seems quite necessary to the cities, but which is of indifferent interest to the rural population; or they may push legislation through which will put the farmer in a favored position. They not only can, but on occasion do.

A perusal of the records of any session of the general assembly in recent years would produce numerous examples on this point.[1] For instance, during the last session of the legislature the Emmons Bill which would have established an independent department of conservation was in accord with recommendations of the Joint Committee on Economy in the Public Service. The organized sportsmen were also strongly in favor of establishing a separate department, thereby removing the fish and game division from the department of agriculture. The farm group, on the other hand, were determined that nothing should be done which should tend to dismember their department. When the final smoke had cleared away on this particular skirmish, a law was on the books which abolished the division of fish and game and created a division of conservation in the department of agriculture, an arrangement quite agreeable to the farm group.

The legislative history of the gasoline tax in Ohio demonstrates, perhaps better than anything else, the potential and actual strength of the farm group in a political way in this state. During the several debates on this subject it was argued with great vehemence that this legislation which was directly sponsored by the farm group, put the "man with the hoe" in a much better position than his brother in the city. An examination of the administration of this tax lends no little support to this contention. It must likewise be recognized, however, that this law was passed after a long period in which an undue burden of the expenditures required for highway improvement rested on the farmer and that the farm group simply exercised their political strength to relieve themselves of this undue burden.[2]

IS PRESENT SYSTEM SATISFACTORY?

One more question presents itself. Has the present system of apportionment in Ohio proved satisfactory? That question is not easily answered. The disproportionate features of the present system certainly have not escaped criticism. In fact, there is a deep-seated discontent in many quarters with the present situation, which awaits a favorable opportunity to express itself. In 1929 it seemed for a time as if the matter would be brought to an issue. At the close of the Eighty-Eighth General Assembly, Senator George H. Bender of Cleveland launched a campaign to obtain 240,000 names for a referendum in November, 1929, to amend the state constitution so as to give cities greater representation in the Ohio legislature. The rural group rallied to the defense of their position under the leadership of Representative Dallas Sullivan of Union County, chairman of the powerful house highways committee. A finish battle was in sight, with both sides well organized and ready for the fray.

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[1] For a discussion of this whole subject see Earl E. Warner, Law-making through Interest-Groups in Ohio: A Study of the Activities of the Ohio Chamber of Commerce, Ohio Farm Bureau, and Ohio State Federation of Labor in the 88th General Assembly. (Master's Thesis, Ohio State University, 1930.)

[2] Many other examples of power of the rural group in the legislative process might be cited. For example, a Bar Association proposal for the establishment of a new local court system was permitted to lapse because of the threatened opposition of the farm group. Other factors undoubtedly were involved but it may be safely assumed that the unfavorable attitude of the rural group was the decisive reason for its failure.

The matter was dropped, however, to clear the way for an important tax amendment which was before the people at the same election. As this proposed amendment modified the old uniform property tax which had been a sore spot for many years and the time was favorable for a change, the apportionment question was left for future consideration. There the matter has rested since, but as it is a question which will not down easily, it may bob up again before the 1931 General Assembly finishes it work. It is certain to receive attention when the next constitutional convention of the state is assembled. Since the constitution of 1912 provides that such a body shall be called every twenty years, the year 1932 may prove to be an important one for Ohio in this matter.

POOLING A REGION'S CREDIT

CONSOLIDATION OF MUNICIPAL BORROWING POWERS ON A REGIONAL SCALE

BY E. T. SAMPSON

Secretary-Treasurer, Montreal Metropolitan Commission and Member of British Institute of Municipal Treasurers

The Montreal Metropolitan Commission has fulfilled expectations. Mr. Sampson, writing on the basis of Canadian methods of debt administration, points out how the idea can be applied elsewhere

THE success which has attended the financial operations of the Montreal Metropolitan Commission in providing capital funds for its component municipalities and a study of the new movement in British municipal circles for improved methods in capital financing and loan redemptions, induces me to set forth my ideas on this interesting subject. A striking analogy to be found in private company finance is the massing or mobilization of credits in a holding company for the use and benefit of its subsidiaries. Municipal finance is, however, further complicated by provision for the entire debt amortization. The dual purposes sought by consolidation of loans are:

1. Minimum charge for interest on loans.

2. Maximum economy in redemption operations together with greatest possible simplicity.

THEORY OF CONSOLIDATED BORROWING ADMINISTRATION

The theory underlying this delegation of power to a central authority is that it is more economical for one authority to borrow all the moneys required for the purposes of a group (or district) of municipalities than that two or more authorities in the area should compete with each other in such borrowing. Of equal, and perhaps of greater, import is the consolidation of the security offered against loan issues in the form of the entire assets and revenues, as well as the taxing power of the region and of its municipalities. By thus transferring to the regional authority the capital financing and the administration of all sinking funds, the accounting of the local municipal authorities is reduced to great simplicity, and the work of budget preparation and control becomes automatic and a matter of routine. The powers of the regional authority will be focussed upon one essential financial obligation or duty, viz., the provision of sufficient revenue by taxation (or otherwise) from the municipalities to meet:

1. Cost of the administration of the authority.
2. Loan charges—

   Interest on loans (from regional authority and others, if any), and sinking fund, installments, or debt redemption of loan moneys actually received by the municipalities.

By requiring from the borrowing municipality only that amount of sinking fund contribution that will be necessary to provide for the redemption at maturity of the actual amount of loan money received by it, a great improvement or simplification of the amortization process will be obtained.

At the present time, the rigid obligation contained in loan by-laws to provide annually an amount for the redemption of the loans specified in such by-laws causes a hardship upon such borrowing authority, when the full amount of the loan sanctioned has not been received, nor the capital expenditure fully incurred.

On the other hand, when capital expenditures have been incurred and temporarily provided out of reserves, tax revenues, or bank loans, in anticipation of a loan by-law, subsequently adopted and sanctioned, there is a period when such expenditures are without redemption charges, thus causing to that extent a misleading revenue or administration statement. Standardized classification of all expenditure throughout all the municipalities will provide a valuable means of comparison and control.

CONSOLIDATED LOANS FUND

By means of a consolidated loans fund the financing of all capital expenditures (regional and local) and the administration of the sinking funds will be reduced to the greatest possible simplicity and economy. The borrowing provisions of a consolidated fund should be clear, definite, and capable of ready assimilation. They should at least comprise the following elements—

1. All loans of whatever nature should be credited to one account.

2. This account to make advances to the various municipalities (or regional authority) incurring the expenditure, as and when required.

3. There should be one security for all loans which should rank equally and without priorities (pari passu), such security to be the whole property and assets, as well as the rate revenues, or other income of the regional and local authorities.

4. The rate of interest charged

against the various municipalities and the region and other purposes (if any) to which advances have been made should be the average rate of interest paid on all the loans of the regional authority treated as a whole.

LOANS ISSUED BY A REGIONAL AUTHORITY

Debenture Bonds.—Term bonds for long or medium periods will comprise a large part of the funded debt of the region. Registration facilities will add to their attractive features; this will also provide a convenient means of getting in touch with many of the bondholders.

Bills and Promissory Notes.—These forms of borrowing are usual for temporary loans issued pending the flotation of a bond issue. Whether it is better to offer these securities on the public market, or only to the bankers of the authority will be a matter for discretion and negotiation.

Deposit Certificates for Loans from Local Lenders.—Although as yet not greatly utilized in America these methods should prove most profitable for short-term loans. They will provide a supply of money at the lowest possible rates, and will also provide a profitable investment to local lenders. A publicity campaign amongst local brokers and notaries, and attractive advertising in the local newspapers, will probably secure the necessary supply. Enabling legislation should be sought for power to give to these certificates the same security or guarantee as a bond issued by the same authority.

Unspent Balances of Existing Loans —sinking fund accumulations, reserve funds, pension funds, temporary balances of the tax revenue or administration funds of the regional and local authorities.—It is in the utilization of these funds for new capital purposes that the greatest profit to the authorities will accrue. The rate of interest payable on the loans borrowed from the sinking fund will be determined by the rate of interest computed to be earned by the sinking fund in order to meet at maturity the loans in respect of which it has been set up. The rate of interest on the loans from reserve and other funds will be more or less arbitrary and subject to internal negotiation between the several interested authorities.

SINKING FUND ACCUMULATION

It is here appropriate to speak of this phase of the administration. The present system of crediting to the sinking fund of any loan—

1. The annual contribution as established by S. F. Table.

2. The actual revenue earned on the accumulations should be amended to credit:

1. The annual contribution as established by S. F. Table based on current interest rates.

2. Only that amount of revenue which is required to maintain the fund fully accumulated.

The sinking fund in respect of all loans will thus be revised annually.

The redemption contributions to be provided by the regional and municipal authorities should be based as far as possible on expenditures or advances actually made, and not on loans authorized (irrespective) of disbursements. There will be no difficulty in this if unspent balances of funded indebtedness are avoided, and this will be much facilitated by the employment of temporary loans, sinking fund moneys and reserves of all sorts.

APPORTIONMENT OF INTEREST AND EXPENSES

Profits and Losses.—A general interest account will be opened to which all interest payable shall be charged and all interest receivable credited, such extra charges and credits arising out of purchase and sale of foreign currencies necessary to meet interest payable abroad. Bank charges for paying bond interest coupons, etc., should also be dealt with in this account.

Balances of this account will be distributed pro rata upon all the borrowing municipalities and the regional authority itself, according to the amount of outstanding debt then owing by them to the consolidated fund.

Loan Expenses—Discounts given at sale of securities; legal and incidental expenses of issue; premiums obtained at sales of securities.—These expenses will have to be amortized within the period of the loan issued. An annual contribution therefor should be charged to the general interest account referred to in the preceding paragraph.

All amounts of premiums so received should be credited against outstanding discounts and expenses, thereby reducing annual redemption contribution. Should premiums exceed discount and expenses, then the general debt by repurchase of security or by an offsetting investment should be reduced.

Profits and Losses on Sinking Fund Investments.—Unless the investment is one that has been transferred from a municipal to the regional authority, the profit received or loss sustained should be treated similarly to premiums and discounts described in a previous paragraph. In the case of transferred investments, the profit or loss should be charged or credited to the interested municipalities.

By the establishment and putting into operation of a consolidated loan fund of a regional authority, there will be obviated the necessity of many of the formalities incidental to the adoption and authorization of loan by-laws by the municipal authorities. The regional authority should have power to sanction all proposed capital expenditures of the municipal authorities, subject to same having been previously submitted to and approved by proprietor taxpayers of such authority.

If each local authority has its own town plan and project of development duly approved by the regional authority and the latter body assembles all such plans, and amends and adds thereto its own project of development, the whole of which will constitute the regional plan, after same has been duly approved by the legislature, a preliminary approval of expenditure and power to borrow can be presumed.

The development projects as outlined on this local and regional plan must not, however, be rigid. Amendments will constantly be found necessary or expedient. Approval formalities for amendments should be the same as for the original plan.

AMERICAN CITIZENSHIP AND AUSTRALIAN ELECTION METHODS

BY IRA W. STRATTON

Former Mayor of Reading, Pa.

Since Australia adopted compulsory voting for commonwealth elections the percentage of eligibles voting has averaged well over 90 per cent. Is the system applicable to the United States? :: :: ::

History informs us that people have been wrought up to the highest pitch of excitement and stirred to the greatest depth of feeling over the right to express their separate opinions and have them counted in the determination of the form and operation of the government that rules over them.

If it were seriously proposed to take away the constitutional right of franchise vested in the individual citizens of the United States of America and place that right in the hands of a lesser number, there would be a tremendous roar of disapproval. And yet, notwithstanding the periodical urgent and earnest pleading to arouse them from their apathy, that is just what, time after time, is to a degree permitted to take place by reason of that large, indifferent, neglectful portion of the country's citizenry.

Americans singly, and collectively in organizations, have with a keen sense of righteousness endeavored to arouse the consciousness of the negligent by appeals to a recognition of their duty, their loyalty, their patriotism, their obligation, and by the use of scores of other mental prods sought to overcome this apparent lassitude and have these persons function. Those faithful to love of country have put their energy into the movement and felt temporarily elated over prospects, until results have been tabulated.

Repentant for a few hours, the defaulting ones are in the same category with their promises as that of New Year's Resolutions—only made to be broken. The heroic impulsive bubbles, simmers and grows cold. The fearful thought arises, what might it cost me financially or socially? Timidity, superinduced by a brain panic drives these excuse-makers back to the ideals of their favorite "What's the Use Club."

Inherited blessings are often treated too lightly and as a matter of course. The tremendous sacrifical price paid by our forefathers is too often forgotten in the pleasures of the present. Somehow or other it is mighty hard for us Americans, in this age, to settle down to do the orderly commonplace things in life, unless a sensational accelerator is attached. The thought prevails in many minds that the country belongs to them and not that they belong to it. How much of enduring value is the present handing down to the future?

Around fifty per cent is the high average of the total vote of those eligible to vote. If an exciting thrill can be injected into a campaign and it gains popularity then the peak point of percentage voting runs high. The solution of this vexatious problem of citizenship duty commands earnest, sincere thought and attention for it is intensely important to the welfare of the country.

AUSTRALIA'S GOVERNMENT

Some few months ago, the writer enjoyed the hospitality of Australia. While there, in conversations with government officials, inquiries were made about their election methods. The Commonwealth of Australia is comparatively very young. In area, the country is slightly less in size than continental U. S. A. The states of Australia, after a succession of attempts, finally laying aside suspicions, jealousies, prejudices and fears of each other and of outsiders, evolved an acceptable plan of federation. The constitutional act of federation was passed July 9, 1900. Queen Victoria, September 7, 1900, proclaimed the Commonwealth to take effect January 1, 1901. Prior to that time each state was a government unto itself. As an evidence, the railroads of each state differed in gauge, thus making interstate traffic a hardship with the necessary numerous transfers.

The framers of the constitution obviously had a copy of the U. S. A. form close at hand, for there are many similar points. However, the English pattern is easily recognizable. New features have been added, some are yet in the experimental stage, for instance, affairs of labor. They still have many perplexities to solve. Government reports are printed promptly and made available for use within a few months of the dated time. They thus become more valuable than archive records. Parliament consists of King, Senate and House of Representatives. Australians are running a course closely parallel to the early days of the U. S. A. Their states are gradually adopting more uniform laws and achieving team work in action. A great bone of contention was the location of the seat of the federal government. At that time Lord Roseberry, the English statesman, remarked to a group of visiting Australians: "I should like to be in Australia just now to participate in the exhilarating sport of hunting for the federal capitol site." The commission appointed to view and consider sites and select one were harassed by advocates of more than forty different locations. Finally Canberra was made the choice. On the Campbell farm (part of the site) stands the old stone church building of "Saint John the Baptist." In its adjoining graveyard, on a stone over the grave of Mrs. Webb is an inscription which the Royal Australian Historical Society consider as "curiously prophetic words." They read: "For here have we no continuing city, but seek one to come." This is said to have been one of the deciding factors in the selection of Canberra. W. B. Griffin of Chicago was awarded the prize in the competitive bidding of plans and he was engaged for the layout and on the constructional work of the new city. The speaker's chair in the House of Parliament is made of old historic pieces of oak, presented by the Marquis of Salisbury in behalf of the British Parliamentary Association. A ribbon entwined around the carved uprights bears this inscription in Latin: "The hand that deals justly is a sweet-smelling ointment. A heedful and faithful mind is conscious of righteousness, justice is influenced neither by entreaties nor gifts. Liberty lies in the laws. Envy is the enemy of honor. Praise be to God."

Perhaps Australia is more widely known in America by reason of the talk and adoption by many states of the "Australian Ballot." A method of voting in which the ballots, printed by the government and bearing the names of all the candidates of all parties, are given to each voter as he enters a booth alone, thus securing secrecy and liberty of action.

COMPULSORY VOTING

The Commonwealth Parliament, in order to overcome the apathy or indifference of the electorate toward the use of their right of franchise, in 1925 enacted legislation prescribing and regulating compulsory enrollment and voting.

The act is too lengthy to quote in full and the following is only a few extracts therefrom:

"Qualifications for enrollment and voting are: Part VI, sec. 39—All persons not under twenty-one years of age, whether male or female, married or unmarried—(a) who have lived in Australia for six months continuously, and (b) who are natural-born or naturalized subjects of the King.

"Part V, sec. 38—All officers in the service of the Commonwealth, all police, statistical and electoral officers in the service of any state, officers in the service of any local governing body, and all occupiers of habitations shall upon application furnish to the Commonwealth electoral officer for the state or to any officer acting under his direction all such information as he requires in connection with the preparation, maintenance or revision of the rolls.

"Part VII, sec. 42—(1) Every person who is entitled to have his name placed on the roll for any subdivision whether by way of enrollment or transfer of enrollment and whose name is not on the roll, shall forthwith fill in and sign, in accordance with the directions printed thereon, a claim in the prescribed form, and send or deliver the claim to the registrar for the subdivision; (2) Every person who is entitled to have his name placed on the roll . . . and whose name is not on the roll upon the expiration of twenty-one days from the date upon which he became so entitled . . . shall be guilty of an offense unless he proves that his non-enrollment is not in consequence of his failure to send or deliver to the registrar . . . Penalty: For a first offense, ten shillings; and for any subsequent offense, two pounds.

"Sec. 46—Any officer who receives a claim for enrollment or transfer of enrollment and who without just excuse fails to do everything necessary on his part to be done to secure the enrollment of the claimant in pursuance of the claim shall be guilty of an offense. Penalty: ten pounds.

"Part VIII, sec. 52—Any name on a roll may be objected to by objection in writing lodged with or made by the divisional returning officer; provided that a sum of five shillings shall be deposited in respect of each objection lodged by any person other than an officer, to be forfeited to the King if the objection is held . . . to be frivolous.

"Sec. 57—(2) If any objection . . . is held . . . to be frivolous, the person objected to shall be entitled to such reasonable allowance, not exceeding five pounds. . ." A period of twenty days must elapse after posting notice of objection before action is taken. No name can be removed from the roll after the issue of the writ for election and before the close of the polling at the election.

Nominations of candidates are made by the use of a regular form with a given number of signers to the petition. No nomination is valid unless the person nominated consents to act, if elected, and declares that he is qualified under the constitution and laws. At the time of the delivery of the nomination paper, a deposit in behalf of the person nominated is required. In the case of a senator the sum of twenty-five pounds in cash money or its cash equivalent.

THE PREFERENTIAL BALLOT

The preferential ballot is used, designating the order of choice and showing preference in order by the voter. If the candidate for senator does not poll one-tenth of the average of the group of the first preference votes polled by the successful candidates, and in case of the House, one-fifth of the average of successful candidates, the deposit is forfeited. Polls are open from 8 A. M. to 8 P. M. After all the ballots have been deposited, the election officers proceed with the "scrutiny" and counting of the votes, tabulating them on prepared forms. The preferential ballot system in detail is very interesting.

"Part XIV, sec. 135—If no candidate has received an absolute majority of first preference votes, a second count shall be made . . . (each election place is notified, by telegram or in some other expeditious manner, of the name of the candidate who has received the fewest first preference votes.) On the second count, the candidate who has received the fewest first preference votes shall be excluded, and each ballot paper counted to him shall be counted to the candidate next in the order of the voter's preference." This process is repeated until an absolute majority of votes has elected.

"Part XIII, sec. 128 A—(1) It shall be the duty of every elector to record his vote at each election.

"Part XII, sec. 85—An elector who will not throughout the hours of polling on polling day be within the state for which he is enrolled, or who will not . . . be within ten miles by the nearest practical route of any polling booth open in the state for which he is enrolled, or be traveling under conditions which will preclude him from voting . . . or who is seriously ill or infirm, and by reason of such illness or infirmity will be precluded from attending, or in the case of a woman, will by approaching maternity be precluded from attending at any polling booth to vote, may make application for a postal vote certificate and postal ballot paper."

Penalty for any false statement or declaration: Fifty pounds or imprisonment for one month.

"Part XIII, sec. 128 A—(12) Every elector who fails to vote at an election without a valid and sufficient reason for such failure . . . shall be guilty of an offense. Penalty: Two pounds."

Large white, red lettered, placards are posted in public places, in advance time, stating: that enrollment and voting are compulsory, last day for enrollment, date of polling day, and the maximum penalties for failure to do each.

"Part XVI, sec. 145—No electoral expense shall be incurred or authorized by a candidate, in a Senate election, in excess of two hundred and fifty pounds, in a House of Representatives election, in excess of one hundred pounds.

"Sec. 146—No electoral expense shall be incurred or authorized except for printing, advertising, publishing, issuing and distributing addresses by the candidate, and notices of meetings; stationery, messages, postage and telegrams; committee rooms; public meetings and halls therefor; scrutineers (watchers)." Every candidate must, within eight weeks after the result of the election has been declared, sign a sworn declaration and file a true return of his electoral expenses.

Every trade's union, organization, association, league, or body of persons which has, or person who has, in connection with any election expended any money, or incurred any expense, must do the same. The proprietor or publisher of a newspaper published in the Commonwealth must make a return of the space used and the amount paid for it. Penalties are provided for offenses in any of these cases.

Some few persons lacking a discriminating sense of mind between farce and obligation, seeking to ridicule the Act, inserted fictitious names on their ballots; thus outwardly showing their compliance with the law but secretly evading it. The joke fell flat. These votes were treated as mutilated ballots and cast out. The would-be humorist evaders, even when afterward known, were ignored; although the Act provides heavy penalties for such behavior. After the first few elections these senseless actions practically ceased. The Act embraces many details pertaining to its operation.

HIGH PERCENTAGE VOTE

The enrollment list and the percentage of voters have very considerably increased since the compulsory law of 1925 has become effective. The last election prior to 1925 for Senate members showed an average voting percentage of 57.95 (males 64.67 per cent, females 51.19 per cent) and that of House members 59.36 per cent (males 65.91 per cent, females 52.72 per cent). At times in earlier years the rate was lower. It jumped in 1925, under the compulsory law, to 91.31 per cent for the Senate and 91.39 for the House. The House elections of October 12, 1929, give an average percentage of all the states as 94.85 (males 94.96 per cent, females 94.74 per cent).

The compulsory act has been tested by an appeal to the High (Supreme) Court of the Commonwealth in the case of *Judd* v. *McKeon*. The appeal was dismissed. The full court agreed on the constitutionality of the act. There was only one dissenting opinion on the interpretation of the words "valid and sufficient reason."

Is the Australian method ideal or not? This can be said, that it has rounded up the strays, the delinquent and the recreant to a performance of their duty.

"Article 1, sec. IV of the U. S. A. Constitution reads as follows: The times, places and manner of holding elections for senators and representatives shall be prescribed in each state by the legislature thereof but the Congress may at any time by law make or alter such regulations, except as to places of choosing senators." Possibly this might be construed to permit the enactment of legislation on compulsory enrollment and voting.

The constitutions of the various states may also have sections permitting such actions. However, whether they do or not, the will of the citizens can, in every case, apply the remedy.

The United States of America has by force of circumstances, especially in recent years, been loaded with increased responsibilities. These in the nature of things will continue to grow. We must size up to them.

America favored beyond measure in a multitude of ways—the Greatest and Best in the eyes and minds of all true citizens, with the abundant proof of this fact on every hand—must not perish!

RECENT BOOKS REVIEWED

The Civil Service in the Modern State. By Leonard D. White. University of Chicago Press. 563 pp.

Selection of public officials based on examinations is more extensive than is popularly supposed. Competitive tests for filling public offices as applied in the United States and England have not been generally adopted, but some method of examination is in force in Germany, Japan, Switzerland, Roumania, Italy and most of the other leading countries.

Dr. Leonard D. White in *The Civil Service in the Modern State* has collated an interesting and valuable compendium of the civil service systems of most of the leading countries. The book, sponsored by the International Congress of Administrative Sciences, represents the contributions of about a dozen collaborators, and is edited by Professor White. A brief summary of the outstanding features of the personnel system in each of the countries treated has been prepared by these authorities. Unfortunately most of the summaries are much too brief, although one is able to learn from them the important phases of the respective systems. The volume is replete with the fundamental laws governing administration of the various public services.

A noteworthy contribution is that prepared for the German system by Professor Carl Joachim Friedrich of Harvard University. It is interesting to note in connection with the German service that more than one-quarter of the seats in the National Assembly are occupied by civil servants. In the German republic officialdom occupies a strategic position of peculiar advantage because of this. Civil servants continue to draw salaries even while occupying a seat in the legislature. The German service is divided into four main groups, each of which has its own separate form of recruitment. Entry is generally limited to each main group, but provision has been made for promotion from one main group to the next. Entry into the main groups is based upon general educational requirements and an examination after a period of apprenticeship. The most controversial aspects of the status of the German civil servant are his right to strike and his right to belong to parties which aim at the forcible overthrow of the existing political order. Both of these rights, however, have been denied by the German courts.

The Swiss system is unique in that there is a tenure of office of three years for civil servants, and salaries are fixed varying according to location and marital status.

The Italian civil service is divided into five groups. The first includes directive and advisory positions filled by university graduates; second, executive or auditing functions, held by college or technical school graduates; third, routine functions such as bookkeeping, copying, etc., and fourth and fifth groups covering the minor positions. Transfer from one group to another is forbidden. Candidates must possess the requisite academic qualifications and normally must pass a competitive test. As in the German service, employees may be members of the chamber of deputies (parliament). Before the Fascist régime this was not permitted. The Italian system, which dates in its entirety only from 1923, seems to be carried out with the efficiency and discipline characteristic of Fascism.

One of the characteristic features of the French public service is the lack of status of the civil servant. Each branch of the service, and sometimes even each office, differs in its personnel system from those in other branches or offices. The personnel system in France is in no wise comparable to the English or German civil service scheme. For almost all public positions possession of certain diplomas is required. For many positions candidates must also demonstrate that they possess additional technical knowledge. Appointing authorities are generally to take persons from lists resulting from examinations. Advancement in the French service, with few exceptions, takes place only by seniority.

Austria has a unique provision in connection with its public service, a requirement that all federal employees must contribute 1½ per cent of their salaries for health insurance. A similar amount is contributed by the state. The insured employees may claim services of physicians and dentists, treatment in sanatoria, etc.

The foundation of the civil service system in Japan was laid in 1887, when Prince Ito established an examination system for appointment and promotion of all except the highest officials. In 1899 the entire service was placed under greater restrictions, and employees were given greater guarantees of status and security of tenure. With the rise of political parties in national politics and the establishment of party government, the inevitable tendency has been gradually to loosen the restrictions placed on the qualification for appointment of civil officials in the higher ranks. Candidates for appointment in most cases must pass qualifying examinations. The author states that "Bureaucracy as an institution has broken down largely under the increasing influence of political parties and democratization of educational institutions, which in turn has tended to introduce again the 'spoils system' into the Japanese civil service."

In studying Dr. White's book one is impressed with the fact that the governments throughout the world are becoming conscious that they have a personnel problem to deal with, and it is gratifying that some of them are earnestly endeavoring to solve it.

H. Eliot Kaplan.
National Civil Service Reform League.

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Tenure of Office under the Constitution. A Study in Law and Public Policy. By James Hart, Ph.D. Johns Hopkins Press, Baltimore, 1930. viii+384 pp.

This volume is a criticism of the supreme court's decision in *Myers* v. *United States*, which Professor Hart quite warrantably interprets as holding—but holding needlessly—that congress in creating executive offices may not define their tenure as against the president's removal power. In Chapter III of the present volume, which is a real contribution to political science, Professor Hart argues persuasively for a stabilized civil service, even in the case of officers not exercising quasi-judicial functions. Thus he would have congress conceded the power to vest even the postmaster general with permanent tenure. Of course, those executive officers who are agents of the president's powers, in contradistinction to those who are agents of congress's powers, he would leave removable at will by the president.

Besides, however, its critical purpose the volume has a missionary aim, which indeed Professor Hart proclaims to be its "primary" one. From this angle the work is announced to be "a study in politico-legal processes from the point of view represented by John Dewey in logic, philosophy, ethics and politics, and by Mr. Justice Holmes and W. W. Cook in law. It is not unrelated to the sociological jurisprudence of Dean Pound, and his theory of the judicial process as one of 'social engineering'; to what Judge Cardozo has emphasized as the 'sociological method'; and to various other currents in contemporary thought." (Preface, p. vii).

In pursuance of this aim Professor Hart has seen fit to burden not a few of his pages with a most fearsome jargon (see *e.g.* pp. 259–261); to use one of his own expressions, he fairly "*reifies*" jargon. That this procedure really enables him to achieve results that would otherwise have been beyond the reach of his native intelligence supplemented by his excellent knowledge of his own field, is by no means evident to the present reviewer; and at one point Professor Hart himself permits a doubt to escape his unguarded pen. On page 80 he writes that independence of tenure is a prerequisite to independence of judgment, and adds the very sensible remark that such is the "lesson of common experience." This, however, is said not on his own responsibility but on that of "a distinguished psychologist," who having been consulted on the point, answered Professor Hart as follows: "I am afraid psychology as such has made no studies of the problem. . . . I can think of no actual investigation, and no special use of the problem in theory that would be more helpful than common experience." Too bad all psychologists are not equally modest!

As to "instrumentalism," "sociological jurisprudence," and so forth—do they do anything more than to elaborate upon the obvious—the truism, to wit, that political institutions, of which the law is one, exist not for their own sake, but for the good of the people? Perhaps a new terminology is necessary to get this idea across with the lawyers; but with *political scientists?* —it is impossible to believe!

Fortunately, Professor Hart frequently forgets his special mission and just gives his trained acumen as a political scientist of the "old historical school" free rein, with the result that the book as a whole is a decidedly worth while treatment of its problem.

Edward S. Corwin.
Princeton University.

◆

A Study of the Principles of Politics. By G. E. G. Catlin. New York: The Macmillan Company, 1930. 469 pp.

Professor Catlin is one of the few political theorists who have correctly understood that the imperative need of modern political science is a body of political generalizations which stands between the stock in trade of the jurists and philosophers on the one hand, and the political technologists on the other. Such a body of principles would fruitfully guide the scrutiny of those empirical processes which are the formal subject matter of study and control; it would not rest contented with value-rationalizations, nor lose itself in the details of the procedure by which tangible objectives are to be achieved by political engineering.

The ground for the present volume was cleared three years ago in Catlin's *Science and Method of Politics*. There we were admonished to conceive the field of politics broadly, to disengage it from the merely governmental, and to choose our questions with regard to the whole field of will-manifestations in society. We were advised to proceed boldly to discern the principal relations which are the proper subject of study and to follow the lead of the economists by dallying with the concept of the purely "political man."

This book is richer in tangible statements about the general nature of political processes than the one which preceded it, and as such will be more intelligible to the special and general public. The third chapter is especially provocative, since it undertakes to report some of the laws of political phenomena which are already to be found in the literature, and which the author subjects to various forms of re-statement. The bulk of the book is an independent analysis of the meaning of liberty, authority, conflict, solidarity, balance, convention, equality, status, individual, and society. The analysis, it should be repeated, is not conducted from the juristic-philosophic angle, but from the positivistic standpoint. It will be vindicated if it serves as the point of departure for further factual studies of political life, and for the cogent re-interpretation of the broader meaning of known details.

The present reviewer does not choose to be committed to the details of the Catlinian analysis but he warmly commends the spirit of the undertaking, and welcomes the many suggestive sparks thrown from the anvil.

Harold D. Lasswell.

The University of Chicago.

◆

Labor and Capital in National Politics. By Harwood L. Childs. Columbus: Ohio State University Press, 1930. 286 pp.

"Why is it," queries the author of this patient, penetrating volume, "that bank presidents, industrial magnates, technical experts, college professors, publishers, research experts, and lawyers will give of their time to work for these groups, and yet contribute so little to the formal process of formulating state policies?" He parries his own question—perhaps he is a Scotchman—by asking a half dozen more. But this is not the problem of his book. His concern is with the broad rôles played by the Chamber of Commerce of the United States and the American Federation of Labor which he takes to represent organized capital and organized labor in our national polity. He finds these two organizations—each with its far-flung membership, its own headquarters building at Washington, its research staffs, its library, its elaborate committee structure, its annual conventions, and above all its legislative program—part of our governmental structure, realistically considered.

Dr. Childs has examined minutely into the domestic economy of each of these bodies. It is interesting to note the development of the Chamber from an organization designed to assemble business opinions for the convenience of government officials to a militant agency for the creation of public opinion on business matters. He finds it strikingly similar to the A. F. of L., yet with noteworthy points of difference. The Chamber has a $2,000,000 budget. The A. F. of L., with a fourth as much, has less opportunity for research, pamphleteering and general public education. The modest attainments of labor's rank and file have made its relation with its leaders not so much one of mutual exchange as one calling for creative leadership and implicit allegiance.

There are two good, if brief, chapters on the influence of these organizations on public opinion, elections, legislation and administrative policies. The author gives us a vivid picture of their avowed tactics without discussing in any detail the contents of their programs. Though one feels that he has not penetrated all of the mazes of their intricate relations with formal governmental agencies, his painstaking study of the machinery and methods of two of the most important pressure groups in our informal government has put all of us in Dr. Childs' debt.

Joseph McGoldrick.

◆

Municipal Insurance Practices of New York Municipalities. By Russell P. Drake. Syracuse University, 1930. 95 pp.

The survey, upon which Mr. Drake reports, was made under the joint auspices of the New

York State Bureau of Municipal Information and the School of Citizenship and Public Affairs. It was undertaken to gather and analyze information on the insurance practices of New York state cities and first-class villages and to suggest ways in which the cities and villages can solve their insurance problems. Amounts spent for insurance, the payments to cover losses under insurance policies, and methods of carrying insurance were obtained from 47, a majority, of the cities and villages of the state.

The text concludes with the words, "There appears to be no good reason why insurance should be carried with private companies." Basing conclusions on the facts presented, the report eliminates the private carrier from all forms of insurance studied except fire insurance. If fire insurance is required as a last resort "to safeguard the credit of the municipality in event of the largest possible loss to its most valuable building," it is recommended that the insurance contract be awarded to the lowest and best bidder. There is no place for the private agency in the field of workmen's compensation insurance because smaller cities can, it is maintained, use the state fund and larger cities can do without insurance if they provide preventive services. Liability insurance is placed among the last resorts, because any other method should prove more economical in the long run. Comparisons of cost to show relative economies are made for a period of ten years and an insurance agent would certainly murmur, "Can you tell what will happen next year?"

A good work has been done in presenting the story of municipal insurance in New York state and in advancing, with considerable courage, some quite definite conclusions. Probably debate will still rage over the if, when, and how of municipal insurance but this may not be the fault of the study so much as the nature of the critter studied.

C. A. Howland.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

A Major Street Plan for Rochester, New York.—Prepared by Harland Bartholomew and Associates, 1929. 104 pp. This study presents a comprehensive plan of main traffic thoroughfares looking forward to a trebling of the population of the city of Rochester within the next fifty years. Twenty-seven illustrative plates are included. (Apply to City Planning Board, Rochester, New York.)

✤

Philadelphia Traffic Survey, Report No. 6, North Philadelphia.—Prepared under direction of Mitten Management, Inc., 1930. 45 pp. This report is a continuation of the Philadelphia Traffic Survey covering traffic conditions in the section north of the central business district. It deals with traffic problems resulting from the development of certain small business sections, requests regulatory measures, and recommends a system of main traffic arteries. (Apply to the Chamber of Commerce, Philadelphia, Pennsylvania.)

✤

Report on a Thoroughfare Plan for Boston.—Prepared by the City Planning Board, Robert Whitten, consultant, 1930. 236 pp. This report is based on three years of careful investigation during which an unusually complete traffic analysis and forecast was made. It presents a long-term construction program, covering a period of twenty-five years and urges the construction of a well articulated system of express roads. Ninety-eight illustrations, 24 tables, and a large map accompany the study. (Apply to the City Planning Board, Boston.)

✤

Report of Planning and Park Commission.—Village of Ridgewood, New Jersey, 1930. 77 pp. The Planning and Park Commission presents in this report a master plan for the future development of Ridgewood. It deals comprehensively with water supply, sewer systems, waste disposal, bus transportation, public parks and athletic fields, traffic regulation, street improvement, civic center plans, and zoning. Illustrations, and a folding map are included in the report. (Apply to Planning and Park Commission, Ridgewood, New Jersey.)

✤

A Traffic Control Plan for Kansas City.—Prepared for the city-wide traffic committee acting under the sponsorship of the Chamber of Commerce, by the Albert Russel Erskine Bureau of Harvard University, 1930. 251 pp. A comprehensive plan for traffic regulation and control based on detailed engineering and statistical studies. Present street traffic conditions are analyzed in relation to business and to public safety and a consolidated traffic code is presented. Eighty figures and tables are included in this report. (Apply to the Chamber of Commerce, Kansas City, Missouri.)

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School Building Survey and Building Program.—Richmond, Indiana, 1930. 86 pp. with tables and diagrams. This survey made under the direction of the board of school trustees by the school superintendent, William G. Bate, and his staff, and advised by the Institute of Research, Teachers' College, Columbia University. The realization of the overcrowded condition and antiquated construction of schools occasioned the complete study of the city with a view to creating a complete and adequate "school city." The proposed program and plan of financing will make this possible in 1945, and looks to its accomplishment then. (Apply to Board of Education, Richmond, Indiana.)

*

Salvage Work Done by a Municipal Fire Department.—Richard Lee Smith. A paper presented at the meeting of the Salvage Corps Officers Association, September, 1930. 7 pp. The chief of the Pittsburgh Fire Department explains how a city fire department organized a salvage unit, and how it became a vital factor in reducing fire losses and increasing the efficiency of the department. (Apply to National Board of Fire Underwriters, 85 John Street, New York City.)

*

Preliminary Report of Florida Citizens' Finance and Taxation Committee.—Perry G. Wall. October, 1930. 47 pp. This report submitted for the consideration of the public examines Florida's present tax system and its enforcement, including assessment. It outlines the necessary provisions of a new system, with especial reference to the practice in "competitive states." It suggests special taxes, equitable ad valorem taxes, taxation of utilities, an inheritance tax but particularly governmental economy. Under this heading, Mr. Wall emphasizes the extravagance of the county system and the unsupervised expenditure of local districts. (Apply to Florida Citizens' Finance and Taxation Committee, Jacksonville, Florida.)

*

Traffic.—Reprint from the 1930 Proceedings of the American Road Builders' Association, Bulletin No. 12, 54 pp. This bulletin contains reports from committees of this highway organization, representing constructor and operator, as well as the user, to its annual convention. There are sections on causes of accidents, parking in business districts, traffic signals and signs, street lighting, traffic zoning, and traffic law enforcement through drivers' permits. Illustrated with pictures and diagrams. (Apply to American Road Builders' Association, Suite 938, National Press Building, Washington, D. C.)

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Community Industrial Financing Plans.—United States Department of Commerce. 61 pp. There are times when the local chamber of commerce desires to assist industries in their development for the benefit generally of the community. Often this aid is of a monetary character and such as cannot be readily obtained from banks. Mr. T. R. Snyder has revised the compilation and classification of plans for such industrial financing from ten cities, and this is available in mimeographed form. (Apply to the Department of Manufacture, Chamber of Commerce of the United States, Washington, D. C.)

Real Estate Practice.—1930. 911 pp. The National Association of Real Estate Boards here publishes the addresses given at its two 1930 meetings and additional papers. It includes articles such as "Helping to Finance the Purchaser" by A. Lawren Brown; "City Planning and Street Widening" by Mark Levy; "Determining Capitalization Rates in Appraising Income Properties" by Arthur J. Mertzke; "Pedestrian Traffic" by Delbert S. Wenzlick; "Real Estate Taxation" by Arthur J. Lacy; "Tax Program for Real Estate" by S. E. Leland; and "Blighted Urban Areas" by Harland Bartholomew, as well as many on the practices of realtors. (Apply to National Association of Real Estate Boards, 159 East Van Buren Street, Chicago, Illinois. Price, $7.50.)

*

Building and Loan Annals, 1930.—751 pp. This volume contains the record of the forty-second annual convention of the United States Building and Loan League, including the addresses given there and at several state league and group conventions. It thus assembles material on the practice and procedure of the Association for the information of the public, and the assistance of the local associations. (Apply to Secretary, United States Building and Loan League, 22 East 12th Street, Cincinnati, Ohio. Price, $10.)

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A Proposal for the Classification and Compensation of Employees of Suffolk County.—1930. 51 pp., mimeographed. Under provision of an act of the 1930 legislature the budget commissioner of Boston was directed to submit to the city council plans for the classification and compensation of offices payable from the Suffolk county treasury. The budget commissioner here makes the report of his survey and procedure, and proposes groupings and salary ranges for the employees concerned—primarily those engaged in some aspect of the administration of the correctional institutions. (Apply to Budget Commissioner, City of Boston, Massachusetts.)

◆

Salaries of High School Principals and City Superintendents of Schools in Wisconsin Cities.—Celia Harriman, 1930. 5 pp. The Municipal Information Bureau of the University of Wisconsin has compiled salary statistics for the year 1929–30 in the same mimeographed form as its earlier studies on the same subject. (Apply to Municipal Information Bureau, University of Wisconsin, Madison, Wisconsin. Price, 25 cents.)

◆

A Bibliography of Social Surveys.—Allen Eaton and Shelby M. Harrison. New York, 1930. 467 pp. The authors, both of the department of surveys and exhibits of the Russell Sage Foundation, have listed 2,775 surveys made in the United States prior to 1928. Changing community conditions, the demand by citizens for action to control tendencies in the public interest, and a growing conviction that control and improvement could be more intelligent and effective if based on knowledge, combined to make the social study, or survey, a very important activity of the modern community. The first attempts to ascertain these facts were general social surveys, urban and rural. Then came the much more numerous surveys in specialized fields, including 125 separate groupings, such as schools and education, health and sanitation, city and regional planning, delinquency and correction, housing, administration, child welfare, recreation, mental hygiene, cost of living, taxation, and others. Surveys are made by governmental or private agencies with a growing emphasis on the more or less permanent survey or research bureaus in different localities. The studies listed are classified as to subject matter and geography so that the contents are easily available. (Apply to the Russell Sage Foundation, 130 East 22nd Street, New York City. Price, $3.50.)

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A Plan for the Construction of Underground Mechanical Garages in Downtown Detroit.—Nolan S. Black and Wilfred V. Cosgrain. 1930. 10 pp. Illustrations and architects' drawings attempt to show the Detroit Common Council the feasibility of underground parking for 3,000 to 4,500 cars in the business district. This plan is arranged particularly for a divided street, but might be adapted easily to the regular street, and is for the "reception floor," several levels of parking area and underground passageways to sidewalks and office buildings. With several entrances and exits in the regular line of traffic, automatic loading, electrically operated transfer trucks such as are used in the manufacturing plants, the authors of the plan foresee it as operating for great convenience and no possible difficulties. They have worked out a plan of payment through a bond issue which might be retired solely from revenue and they urge the city to pioneer in this practical solution of a nation-wide problem. (Apply to Nolan S. Black, 3454 Denton Avenue, Detroit, Michigan.)

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE

Professor of Law, New York University

EDITOR'S NOTE.—Referring to the note in the last issue of the REVIEW on the case of *Messinger* v. *Cincinnati,* we are indebted to Alfred Bettman of Cincinnati for a letter setting forth the facts in that case, which throws light upon the reasons for the action of the city council in ruling to close Teakwood Avenue and explains the position taken by the city planning commission. In view of the present state of the law of city planning, the following extract from Mr. Bettman's letter is of peculiar interest at this time:

> The subdivision which contained Teakwood Avenue and is within the city limits was, as required by law, submitted to the city planning commission. According to the submitted plat, Teakwood Avenue did not go to the eastern boundary of the tract, but stopped fifteen feet short thereof. A study of the thoroughfare problem showed that Teakwood Avenue had importance as a minor thoroughfare and was, of all the streets in the subdivision, the one properly to be treated as a thoroughfare and not as a local street. Consequently, the planning commission insisted upon carrying Teakwood Avenue to the eastern boundary of the tract, which was also the eastern corporate limits. In order to get his plat recorded, the subdivider complied with this condition and the plat was amended accordingly, resubmitted to the planning commission and approved.
>
> One of the arguments made for stopping short of this fifteen feet was that the property to the east, namely, the Messinger tract, would in time come to be subdivided and one could not know what sort of people would come to live there and the promoters of the first tract did not want to open their streets to these possibly "inferior" people. Of course, that argument did not appeal very much to the planning commission; but, to meet it, the Messinger owners agreed to subject their lots to residence A restrictions as a part of the conditions of their platting. This, of course, destroyed all such argument, if it needed to be destroyed.
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> Despite all this, the promoters of the first tract then sought to create the fifteen-foot break in Teakwood Avenue by getting council to vacate the fifteen feet. Of course, the planning commission disapproved of this vacation, but through political manipulations, the two-thirds vote of council necessary for overruling the planning commission was obtained.
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> I thought these facts would interest you, as they show the atmosphere surrounding the case, and which no doubt helped to cause the decision to be as it was. I agree with you in considering it a most important decision. Indeed, I have talked about it wherever I have had an opportunity, as for instance, in a recent lecture at the Harvard City Planning School on the legal elements of city planning.

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Municipal Bonds—Profits on Sales Not Exempt From Federal Taxation.—The Supreme Court on January 5 handed down its decision in *Willcuts, as Collector of Internal Revenue* v. *Bunn,* reversing the judgment below which awarded Bunn a recovery for taxes paid upon profits on the sales of certain bonds issued by various counties and cities in the state of Minnesota. In an opinion by Chief Justice Hughes, the court lays down the principle that to warrant an exemption from federal excise statutes it must be shown that the tax imposes a real and substantial burden upon the state or its local agencies. The full text of the opinion may be found in the United States Daily, January 6, 1931.

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Streets and Highways—City Cannot Bind Itself to Retain Street Names.—It is well settled that the naming of streets is a governmental function, which a city in the absence of express statutory authority may not bargain away. In *Belden* v. *City of Niagara Falls,* decided by the Appellate Division of New York, November 12, 245 N. Y. S. 510, the plaintiff sought to enjoin the city from changing the names of certain streets upon the ground that in conveying the land to the city for street purposes the city had expressly agreed that the names should not be changed. The court holds that such an agreement is *ulta vires* and reversed a judgment enjoining a violation of the covenant. Based upon the same principle the owner of property abutting on a street can acquire no vested interest in its name nor in a designated street number (See *Bacon* v. *Miller,* 247 N. Y. 311.)

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Billboards—Elimination of Billboards Obstructing Highway View by Condemnation.—In *Frelinghuysen* v. *State Highway Commission,* 152 Atl. 79, the Supreme Court of New Jersey limits the application of the statutes empowering the Highway Commission to condemn lands that may be necessary for highway purposes to the acquisition only of such rights of the owner as may be essential to the public use authorized. The court holds that although the statutes confer very broad powers upon the commission, which by their terms are to be liberally construed, the constitutional limitation that lands may be taken by eminent domain only for public use inhibits the condemnation of all the right, title and interest of the owner simply for the purpose of eliminating obstructions to the view of travelers. The power of the commission to condemn is thus restricted to easements necessary for "rights of way."

The reasons stated by the court would seem to be also applicable to a statute attempting to expressly confer similar powers. The result would probably be different if the state constitution provided for excess condemnation. While the Supreme Court has not passed directly upon the limitations upon excess condemnation under the Fourteenth Amendment, its decision last April in *Cincinnati* v. *Vester*, 281 U. S. 449, indicates that the power may be sustained if the lands are acquired for the amplification and preservation of a public improvement and the definite purpose is clearly set forth in the resolution of the body exercising such statutory power.

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Indebtedness—Refunding Bonds—Effect of Constitutional Limitations.—An amendment to the constitution of Florida, adopted last November (Art. 9, sec. 6), provides that a county, district or municipality shall have power to issue bonds only after the same shall have been approved by a majority of the votes cast at an election participated in by a majority of the qualified electors thereof. By express words this provision is not to apply "to the refunding of bonds issued exclusively for the purpose of refunding of the bonds or the interest thereon of such counties, districts or municipalities." The construction of this latter clause came before the Supreme Court of Florida in the case of *State* v. *Miami*, 121 So. 143, decided December 5, 1930, upon an appeal taken from a decree validating certain refunding bonds of the city. The contention was made that the section was applicable only to the refunding of bonds that had already been refunded. The court by a majority of four to one holds that the section applies to all issues of bonds, which are designed to extend the date of payment of the principal or interest of any outstanding bonds. As refunding bonds do not increase the indebtedness of the city, the construction adopted by the court seems to express accurately the purpose of the excepting clause.

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Special Assessments—Recovery of Payments Made Under an Illegal Tax.—In *Detroit Lumber Co.* v. *Arbitter*, 233 N. W. 179, decided December 2, 1930, the Supreme Court of Michigan holds that special assessments illegally assessed and collected may be recovered by the landowner who has been compelled to make such payments. Through a mistake in the survey of the lands in question the city of Detroit, one of the defendants, had mistaken the boundaries of the adjoining alley and built the sewer upon private lands. As the city was without power to build sewers and assess the cost of the improvements therefor, except in highways or upon public lands, the assessment was declared to be void, a restoration of the taxes collected ordered repaid and the unpaid installments canceled. This part of the decree of the court was incidental to the other equitable relief sought by the plaintiff. This decision may be compared with that of *Georgianna Thompson* v. *District of Columbia*, 281 U. S. 25, reported in the April number of this REVIEW, in which the Supreme Court held that moneys collected under guise of a special assessment could be recovered in an action at law upon notice to the landowners that the improvement upon which the assessment was based had been abandoned.

◆

Torts—Statutory Liability for Injury by Fire Trucks.—The recent amendment to the highway law of New York (sec. 282-g) providing that every city shall be liable for the negligence of any person duly appointed to operate a municipally-owned vehicle acting in the discharge of his duties is held in *Snyder* v. *Binghampton*, 245 N. Y. S. 497, to include operators of fire trucks. The decision is based upon the plain language of the statute which states that "Every such appointee shall, for the purpose of this section, be deemed an employee of the municipality, notwithstanding the vehicle was being operated in the discharge of a public duty for the benefit of all citizens of the community and the municipality derived no special benefit in its corporate capacity."

The New York statute marks a milestone in the movement to place the liability of municipal corporations for tort upon a sounder social and legal basis. It is significant that a bill sponsored by Attorney General Ward was introduced at the last session of the New York legislature, which, had it been passed, would have wiped out entirely the distinction between governmental and proprietary functions as a basis to determine the immunity or liability of a municipal corporation for tort due to the negligence of its agents and employees.

✤

Contracts—Estoppel of City to Deny Rights Existing in Property Acquired by Purchase.—The Supreme Court of Arizona in *Collier* v. *Paddock*, 291 Pac. 1000, refused to reverse a decision of the lower court denying the plaintiff an injunction against the city of Phoenix to restrain the city from letting space in its street cars to other persons. In January, 1924 the plaintiff contracted with the city's predecessor in title for the advertising space for a period of ten years and after the purchase of the utility by the city in 1925 the latter had recognized the contract up to July 1, 1929, furnishing the space and receiving the monthly payments. About that date the city notified the plaintiff that it was not bound by the contract and would proceed to let a new contract by competitive bidding. The prayer of the plaintiff was that the city be enjoined from interfering with its contract rights to the use of such advertising space.

The ground upon which the court rested its refusal of such relief was that the plaintiff had no valid contract with the city, because the charter prescribes the method of contracting, which had not been followed, invoking the fundamental rule that a municipal power cannot be exercised unless strictly in accord with the methods laid down by the statute.

Admitting the validity of this contention, there would still seem to be no good reason why the plaintiff was not entitled to the relief asked for. The petitioner was not asking for an affirmative declaration that it had a contract with the city, but that the city be estopped to deny that it had rights under a valid contract with the city's predecessor in title for the use of advertising space upon property later acquired by the city, rights which could not be extinguished by any action or non-action on the part of the municipality or of the state without compensation. The failure of the court to recognize the equitable principles applicable to the facts raises a nice question as to whether any remedy is available to the plaintiff to enforce its rights. It is quite probable that the courts of other states which recognize contract rights to advertising space on buildings as quasi-easements subject to equitable protection might reach a solution that would afford adequate protection to the petitioner. (See *Cusack Co.* v. *Meyers* (Ia. 1920), 178 N. E. 401, 10 A. L. R. 1104 and note.)

✤

Torts—Pollution of Public Waters by Sewage—Distinction Between Tidal and Non-tidal Waters.—In *Lovejoy* v. *City of Norwalk*, 152 Atl. 210, the Supreme Court of Errors of Connecticut by a divided court, holds that the pollution of tidal waters by sewage disposal, affecting the marketability of oysters in designated oyster beds, but not destroying the oysters, does not constitute a taking of property without compensation, and that therefore no injunction may be granted against such acts. The court puts its decision upon the broad ground that the rights given the owner of oyster beds by the state or by municipalities under delegated power in the tidal lands are subject to the paramount right of the public to use such waters as a purification basin for sewage. The decision is supported by numerous precedents, which distinguish the rights of riparian owners on non-tidal streams from those acquired under license in tidal waters. (*Hampton* v. *Watson*, 119 Va. 89; *Sayre* v. *Newark*, 60 N. J. Eq. 361; *Darling* v. *Newport News*, 249 U. S. 540.)

The plaintiff in the instant case contended that in view of modern scientific methods for the purification of sewage, the earlier decisions as to the negligence of public agencies in discharging untreated sewage into tidal waters should be modified. The evidence showed that the city has under way improvements for the filtration of its sewage which will cost in the neighborhood of a million dollars, but the court approved the finding of the trial court to the effect that in the absence of a statutory mandate no positive duty rests upon the city to install such improvements and that the rights of the plaintiff under his license are limited to the exclusion of other oyster farmers from the designated area.

The New Jersey Court of Errors and Appeals in *Heintz* v. *Essex Fells*, 151 Atl. 593, has recently affirmed the liability of a municipality for the pollution of a fresh water stream, the water of which was made unfit for the use of cattle by the discharge of oil from a pumping station maintained by the municipality. Such active wrong-doing, even in the discharge of a governmental function, is held to negative the immunity of the city for the negligence of its officers and agents.

*

Police Power—Traffic Regulations—Right of Accused to Trial by Jury.—The Supreme Court in *District of Columbia* v. *Colts,* 51 S. Ct. R. 52, decided November 24, holds that a person charged with the violation of the traffic code of the District of Columbia in having driven a motor car at a forbidden rate of speed and recklessly "so as to endanger property and individuals" is entitled under the federal constitution to a trial by jury. While the decision is limited to the exercise of the federal police power, the opinion of the Court, written by Mr. Justice Sutherland, forcefully points out the distinction between petty offenses such as a violation of the parking limitation and an offense which by its very nature is *malum in se.* (See *State* v. *Rogers,* 91 N. J. Law 212.) The offense here charged was indictable at common law before motor vehicles were introduced. Upon this point the Court says:

> An automobile is, potentially, a dangerous instrumentality, as the appalling number of fatalities brought about every day by its operation bear distressing witness. To drive such an instrumentality through the public streets of a city so recklessly "as to endanger property and individuals" is an act of such obvious depravity that to characterize it as a petty offense would be to shock the general moral sense. If the act of the respondent described in the information had culminated in the death of a human being, respondent would have been subject to indictment for some degree of felonious-homicide. [Cases cited.] Such an act properly cannot be described otherwise than as a grave offense—a crime within the meaning of the third article of the constitution—and as such within the constitutional guarantee of trial by jury.

*

Home Rule—Delimitation of "Municipal Affairs."—The delimitation of "municipal affairs" in home rule cities under the usual constitutional provisions requiring the charter provisions to be subject to the constitution and statutes of the given state is constantly subject to adjustment as the legislature extends the field of state control by laws of general application. The scope of governmental functions which are at any given time exclusively municipal is at best extremely limited and with the exception of a few activities is subject to gradual curtailment as general laws covering a specific field are found necessary to meet new conditions. Local home rule powers otherwise validly exercised must yield when the interests of the state require regulation by uniform statutes of state-wide application.

In a case decided November 18, *Wehrle* v. *Board of Water and Power Commissioners of Los Angeles,* 293 Pac. 67, the Supreme Court of California holds that the acquisition of lands and needful water rights by the city is a municipal affair and that under the charter the board has full authority to take what steps it may deem necessary to that end. A taxpayer's action to enjoin the purchase of lands for water supply purposes cannot be sustained, in the absence of evidence that the board is acting fraudulently or in excess of its powers.

In the above case, the particular field of local activity had not been limited by statute. In *Carlberg* v. *Metcalfe* (U. S. Daily, January 5) the Supreme Court of Nebraska holds that the home rule city of Omaha is authorized by a state statute to establish and maintain a municipal university. The taxpayer's action asking for an injunction in this case was based upon the theory that such power could be conferred only by an amendment to the charter adopted by the electors. The court holds, however, that whatever powers the local electors may confer upon the city in the absence of legislation by the state, matters relating to education cannot be considered as local or municipal in their nature and that any statute relating thereto must be given paramount effect.

Reference may also be made to *State* v. *City of Homestead,* 130 S. 28, in which the Supreme Court of Florida holds that the amendment of 1915 to the state constitution authorizing cities and towns to amend and adopt home rule charters does not extend to the enlargement of their boundaries where the municipal limits have been fixed by statute.

*

Streets and Highways—Effect of Condemnation of Fee for Highway Purposes Upon Abutter's Rights.—The New York Court of Appeals in *Thompson* v. *Orange & Rockland Electric Co.,* 173 N. E. 224, reversed a judgment giving the plaintiff, an abutting owner, compensation for the occupancy by the defendant of the adjoining highway for the erection of poles and wires of its electric distribution system. The decision turned upon the question whether the county had acquired the fee or only highway easements by its condemnation proceedings. The general rule as applied in New York has been that a condemnation for highway purposes gave the public the same rights as upon a dedication for highway purposes, and limited the rights of the public to such easements as were essential for public travel, including the right to change the grade and to construct sewers. The use of the highway by public utilities, such as railroad or electric lighting companies, has been held in most of the states, including New York, as an additional burden for which the abutting owner should be compensated.

The court construes the provision of the highway law that the county board of supervisors "shall acquire land for the requisite right of way" either by purchase or condemnation as imposing the duty of acquiring the fee therefor, leaving to the abutting owner only those rights that arise from the relationship of his land to the highway, as the rights of access, air, light and view. The court places emphasis upon the clause of the statute which refers to the rights acquired as *title* to *real property* as indicating the intent of the legislature that the full fee is to be taken.

The effect of the decision is to draw a distinction between the rights of the public in lands acquired for highway purposes under the statute and those previously acquired by condemnation or dedication. It is indicative of the efforts of the state legislatures to extend the rights of the public as far as they deem necessary, to meet modern conditions. In the instant case, it is to be assumed that private interests will not suffer, as the owner will be awarded compensation for the additional rights taken in the condemnation of his entire title. The value of the new law to public utility companies in enlarging their franchise rights to the use of the public highways is apparent.

PUBLIC UTILITIES

EDITED BY JOHN BAUER

Director, American Public Utilities Bureau

Progress in New York City Transit Reorganization. — The solution of the New York City transit problem appears to have advanced materially through the report submitted to the transit commission by Samuel Untermyer, who, as special counsel to the commission since 1927, has devoted untiring energy, without compensation, to the formulation of a unification plan which would be acceptable to both the city and the companies.

Mr. Untermyer has had an arduous task, which has required a grasp of complicated technical and financial relationships, as well as patience and ability, to negotiate without losing sight of the public interests involved. The general plan as to type of organization was substantially established in 1928, and the proposed modifications are not fundamental. But the present report sets forth the payments to be allowed for the properties which would be included in the unified system.

The plan contemplates the taking over by the city of all rapid transit properties, which would then be leased for operation to the board of transit control, a corporate body created for that purpose. The financing effected would be carried out partly through an issue of city bonds and partly through securities issued by the new board.

PRESENT RAPID TRANSIT SYSTEM

At the present time there are three general systems: (1) Interborough system; (2) B. M. T. system; and (3) the new city system now under construction.

The Interborough system includes two subdivisions: subway and elevated. The first consists of lines owned by the city of New York and leased to the Interborough Rapid Transit Company for operation under specific financial arrangements as to investment, division of return, and rate of fare. The contract expires in 1968, when all the property reverts to the city, free of cost, except for the equipment provided by the company for the original subway, which would be conveyed to the city at its then fair value. The lease, however, provides that the city may recapture the properties at a price fixed in the agreement. The right of recapture, however, applies only to the subways constructed since 1913 under so-called Contract No. 3, and not to the subways constructed subsequently, except that certain exchanges may be made in the properties as provided in the contract.

The title to the subways already vests in the city, and their purchase is not involved in the proposed plan, except for the termination of the lease and the liquidation of the company's contribution to the construction of the lines and its investment in equipment. There is, however, involved also the purchase of the equipment provided by the company for the old subways; this does belong to the company, and would be purchased by the city under the plan.

The strict purchase of properties by the city would apply to the elevated system, leased by the Interborough Rapid Transit Company from the Manhattan Railway Company for a period of 999 years from 1876. The city has no ownership nor investment in these lines. The elevated and subway properties are operated by the Interborough as separate systems, under different contracts, and their financial and accounting records are kept distinct. Each can be treated readily as a separate unit in the unification program.

The Brooklyn-Manhattan Rapid Transit system consists of (1) city-owned lines, leased under Contract No. 4 to a B. M. T. subsidiary; (2) reconstructed elevated lines, company-owned; and (3) old elevated lines, company-owned. All the lines are operated as a single unit, without separation of accounts between the various classes of property. The plan provides for the purchase of the company-owned lines, and for the liquidation of the company's interest in the city-owned lines.

In addition to the existing rapid transit lines, there are the city lines now under construction, but some of which will be ready for operation toward the end of 1931. The plan proposes a separate operating unit for the new city system, so that its financial set-up would be distinct from that of the Interborough-B. M. T. unification.

The total proposed payment for the company-owned lines and for the liquidation of I. R. T. and B. M. T. interests in city-owned lines, is placed at $489,804,000. These figures appear to be generally acceptable to the companies, except that there is a sum of about $10,000,000 in dispute. On the city and public side, however, there may be greater doubt as to whether the purchase price would prove to be satisfactory. In any event, this will be the subject-matter of close scrutiny during the coming months, when the plan will be subjected to hearings before the transit commission and when all interested groups will have an opportunity to present their views.

The following is a summary of the payments and investment by the city under the plan:

Track Miles	*I. R. T.*	*B. M. T.*	*Total*
City-owned lines	224.0	120.5	344.5
Company-owned lines	118.1	145.8	263.9
Total track miles	342.1	266.3	608.4
Payments and investment by city			
Company interest in city-owned lines	[a] $146,042,000	$74,475,000	$220,517,000
Purchase of company-owned lines	130,462,000	138,825,000	269,287,000
Total payments to companies	276,504,000	213,300,000	489,804,000
City investment in company-operated lines	183,650,000	202,400,000	386,050,000
Total payments and investments	460,154,000	415,700,000	875,854,000
Of which city-owned lines	329,692,000	276,875,000	606,567,000
company-owned lines	130,462,000	138,825,000	269,287,000
Cost per track mile			
City-owned lines	$1,471,839	$2,297,718	$1,760,717
Company-owned lines	1,104,674	952,160	1,020,413

ARE THE VALUATIONS REASONABLE?

As to the reasonableness of the proposed purchase price, Mr. Untermyer himself states forcefully that it is too high. This applies particularly to the purchase of the company-owned lines. The amounts for liquidation of company interests in city-owned lines were determined as provided for by the contracts between the city and the companies, at actual cost plus 15 per cent, so that the figures cannot be far out of line. Public criticism, however, is bound to be directed against the price for the company-owned elevated lines, which are more or less obsolete. This applies particularly to the elevated operated by the Interborough. While the lines will probably be used for some years, they are obsolete now and should be removed from the streets at the earliest possible date, as soon as traffic can be accommodated by new subways. Likewise, the B. M. T. elevated lines have suffered greatly of obsolescence. Some of these lines, however, were reconstructed as a part of the 1913 program, and cannot be said to be obsolete. The unreconstructed B. M. T. lines, however, are practically in the same condition as the I. R. T. elevated, except that they extend through less congested territory, and their removal is perhaps less pressing.

The significance of the purchase price of the elevated properties appears most strikingly when the cost to the city is considered from the standpoint of trackage. The I. R. T. elevated lines have a total of 118 miles of track. The total purchase price is $130,462,000, including the old elevated properties, as well as the improvements made under the 1913 agreements. Practically all these properties are obsolete, and yet they come to the sum of $1,105,000 per mile of track. Can this figure be justified on broad public grounds? Can the city afford to pay that price for property that might have to be junked in the near future?

The B. M. T. elevated lines that would be purchased by the city have a total of 146 track miles, which, at a total cost of $138,825,000,

[a] Includes $30,000,000 estimated for I. R. T. equipment under Contracts Nos. 1 and 2.

would come to $952,000 per track mile. Is this amount reasonable? But there is here the significant point that about $153,000 less is allowed per track mile for the B. M. T. elevated than for the I. R. T. elevated lines, although less obsolescent and more essential to the requirements of comprehensive unification.

Mr. Untermyer emphasizes the fact that the values are higher than justified if considered from the standpoint of their physical condition and operating status. He believes, however, that they would be justified from the standpoint of the city's future situation, because of reduction in fixed charges achieved through the new financing, because of cancellation of existing contracts and their burdensome consequences to the city, and particularly because of the operating and service benefits of unification under which all lines could be coördinated with regard to the needs of the city at large and with the maximum attainable economies of a single system.

WHAT ALTERNATIVES?

Mr. Untermyer obviously considers that the values he proposes are the best bargain that the city can expect to get from the companies, and that although excessive they would be justified on broad public grounds, and would furnish the best attainable settlement for the future. As to this conclusion, there will undoubtedly be sharp differences of opinion and contention.

It will be recalled that the 1913 program under the so-called "dual contracts" was justified at the time by its proponents as constituting the best bargain that could then be obtained by the city, and that it should be approved because of the future benefits to be achieved. But the passage of seventeen years has proved the prediction so badly in error, that Mr. Untermyer now calls the 1913 arrangement as the "dual iniquities." Looking forward now, one must wonder what may happen to a system of unification the cost of which is now admittedly excessive, but which is again defended on the ground of broad public interest, and benefits to accrue in the future.

These are the questions that will be debated during the year. They should be considered in relation to alternatives that are attainable. There is no doubt that unification is desirable, if predicated upon values that are really justified. Any system, however, which is initially burdened by huge allowances for obsolete facilities, will have difficulty to stand against the ever-mounting future requirements for new facilities.

There are two alternatives to the proposed unification program: First, the present situation can be continued, with the two privately-operated rapid transit systems, and the new city system which will come into operation soon. This would not be satisfactory, and would have serious financial complications. The question, however, is whether the aggregate results would be less burdensome to the public at large than the proposed unification predicated upon excessive valuations.

The second alternative is for the city to recapture the subway properties, under the terms of the rapid transit contracts. Mr. Untermyer points out that there are no legal obstacles to immediate recapture, and that there would be no insuperable operating difficulties. Recapture would result in placing in the hands of the city practically all the rapid transit facilities which are modern, and would exclude all the obsolete properties. The cost would be moderate, amounting for the whole subway system to only $1,760,717 per mile of track, compared with $1,104,674 per mile allowed in the proposed unification for the obsolete I. R. T. elevated lines. To the recaptured properties could then be added the new city lines, all operated as a single system. To this consolidation could then be added all future construction, all financed and managed under the full ownership and control of the city.

The only serious objection to the recapture program, from the public standpoint, is the break-up of some of the present B. M. T. lines. Many people, undoubtedly, would be inconvenienced as to service and subjected to duplication of fares. The problem is to balance this objection against the advantages that recapture offers. The recapture program as a whole must be compared with the proposed unification plan as to relative advantages and disadvantages, or as to relative benefits and burdens.

NOTES AND COMMENT ON MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER

English Universities and the Local Services.—The Editor of the REVIEW, in commenting in the issue of November last, pointed out an important difference between the national civil service in England and the local government service; namely, that while the national service depends almost entirely upon the universities from which to recruit its personnel, few university men enter the local government service.

In this connection the recent efforts of the National Association of Local Government Officers to procure university coöperation in the provision of adequate facilities for instruction in public administration should be of some interest. The opprobrium which has attached to utilitarian proposals around Oxford and Cambridge has naturally served to deter the inauguration of what is generally considered a trades course, although for some time local government has received some attention in connection with the diploma in economics and political science, while public administration, of a sort, is an optional subject in the honors school in philosophy, politics and economics.

Mr. W. G. S. Adams, of All Souls, Oxford, is one of the leading proponents of university instruction in administration. The writer recalls an interesting discussion between Professor Adams and several officials on instruction in public administration in colleges and universities, the crux of which is summarized by Mr. Hill, of Nalgo, in these words: "A University degree course must embrace studies beyond bookkeeping, accountancy, legal cases and the other forms of technical instruction necessary for the local government officer. For an appreciation of the technique of public administration one digs deep in history, and reduces to analysis those social forces which produce the present order; one should understand the development, side by side with local government, of those voluntary agencies which have been the precursors of statutory authority, be able to focus accurately the relationship between the nation and the citizen, see the local machine work as a whole and not departmentally, and, above all, be qualified to make comparisons with experiments in other countries."

University training in public administration from a practical point of view is not without precedent in Great Britain, however. The University of London at the present time offers a diploma in public administration for compliance with the following curricular requirements:

A. Compulsory subjects:
  I. Public administration, central and local.
  II. Economics, including public finance.
  III. Social and political theory.

B. Optional subjects, three of which are to be elected, at least one from each group:
  Group (a)—
    I. English constitutional law.
    II. English economic and social history since 1760.
    III. The constitutional history of Great Britain since 1660.
  Group (b)—
    I. Statistics.
    II. History and principles of local government (advanced).
    III. Social administration.

Students standing for the diploma are required to attend an approved scheme of studies extending over two full university sessions, and involving not less than 240 hours in all. The examination for the diploma is divided into two parts, both of which may be taken at the conclusion of the first session's work, or the first part may be taken at the end of the first session.

The liberalization of the attitudes of English academicians is important not only because of its possibilities in increasing the cultural equipment of the local government officer, but also because it may mean the beginning of real research on an extended and comprehensive scale—something unknown at the present time. Virtually the only source of authoritative information concerning English local government at the present time is the evidence gathered by the various Royal Commissions. While the work of Adams, Cole, and the Webbs is of foremost importance, a handful of people of this sort are unable to assemble the extraordinary amount of material necessary for first-class investigation of any problem in local government. Too, much English writing on local government seems intended to point a moral or adorn a tale rather than to offer disinterested information. Like sociology, it is all conclusions and no data.

To the extent that this movement is successful in procuring for the local government service in Great Britain a younger personnel of the cultural and educational attainment which its singularly enviable tradition so richly deserves, it deserves the most unreserved support. In so far as it convinces Englishmen at large and local government officials in particular, through its stimulation of research, that English problems are neither describable nor solvable by the recitation of homely platitudes, it will be attended with the devoutest salaams and benedictions of foreign investigators.—*The Municipal Journal*, November 7, 1930.

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Home Rule for Chilean Cities.—The gathering tide of sentiment in South America against the system of hyper-centralized communal government and administration, which is a queer admixture of the French prefectural principle and our own quaint practice of legislative control, has found its spokesman and able protagonist.

THE INDICTMENT

In a polemic against popular lethargy and indifference to the state of administrative affairs, to which he attributes the present condition of municipal administration, Señor Rogelio Ugarte B., of the *Ejecutivo Nacional*, states the case for home rule in rational and succinct form. His indictment of the present system is couched in the following general terms:

1. The projection of politics into local administration introduces an alien factor into official life. Local government is business, and has been harmed by misuse as the stepping-stone for political ambition, by the creation of personnel machines through official authority and prerogatives.

2. The creation of election authorities, without prescribing the limits of their discretion and the enforcement of these limitations, has defeated the aims of local democracy and enabled ambitious officials to solidify their positions.

3. The conduct of local elections on lines of national political cleavage, rather than on points concerning local life and government.

4. The conversion, due to these influences, of the *alcalde's* office into one of political significance rather than of purely administrative leadership.

5. Failure definitely to separate the administrative and legislative functions in local government.

6. The absolute insufficiency of taxes under a system designed to operate largely by central subventions which have not been adequate or discreetly made. The system established was in the 1891 manner of thinking which modern urban development has left hopelessly inapplicable.

THE PROPOSALS

The spokesman for the *Ejecutivo* is aware, at the same time, of the necessity for central supervision and control, and his proposals represent a distinct contribution to the principles of administrative structure and organization. They are:

1. Establishment and maintenance of the principles of communal autonomy in communal affairs.

2. Definition of the juristic character and attributes of a municipal corporation.

3. Empowering the municipalities to pass ordinances with the effect of law, applying to communal affairs, and concerning not purely communal functions with the prior permission of the provincial administration.

4. Empowering the executive department to issue orders having the force of law, concerning all communes in matters of national significance.

5. Establishing central administrative supervision over municipal budgets and expenditures, as well as administrative review of the legality of public acts of local officials.

6. Empowering the Executive to arrange intercommunal projects of improvement and determine the distribution of the burdens resulting therefrom.

7. Granting the locality power of regulating structures and enforcing the transformation and modernization of all buildings.

8. (a) Codification of communal financial legislation, and the separation of municipal from other governmental funds.

(b) Empowering the municipality to receive directly its own tax levies.

(c) Permitting the municipality to tax at its own discretion in accordance with its needs and the services which its government deems wise to provide for the general use.

9. Regulation of circumstances under which officials determine electoral elegibility or the permitting of plural voting.

10. Appointment of election officials by the *alcalde*.

11. Making the tenure of the *alcalde* permanent, contingent only upon competence and good behavior and his refraining from political activity of any sort.

12. The definite demarcation of the functions and powers of *alcalde* and municipalities in local administration and legislation, respectively.

A portion of the article deserves translation, for which the following roughly will serve:

"For many years we have talked among ourselves of administrative decentralization, holding it always as our highest aspiration. The absence of all autonomy, and the complete centralization of administration has produced a total and pernicious congestion in all the activities of the Executive. But absolute communal autonomy is, in my opinion, undesirable. The life of the commune cannot be entirely abandoned to its own fate and the capricious acts of its authorities. Central administrative control is essential to secure financial continuity and stabilization and the conservation of revenue sources. In the period of transition through which we must pass the argument for supervision by established administrative authorities becomes even more cogent."—*Comuna y Hogar*, November, 1930.

✣

Gesundheit der Städtetag!—The last year marked the twenty-fifth anniversary of the founding of the *Deutscher Städtetag*, our esteemed German contemporary. It is with much gratification that this department offers its congratulations on a quarter of a century of preëminent achievement in government reform.

Like many of the good things in life, the *Deutscher Städtetag* began as a protest. In 1879 the Reichstag proposed a tax on foodstuffs which seriously would have discommoded city dwellers. At the instance of a number of *bürgermeisters* all German cities of more than 10,000 inhabitants were invited to send delegates to Berlin, ostensibly for a "convention" but actually to redraft the noxious statute and put the thumb-screws on the Reichstag. Sixty-five cities responded to this invitation, sent representatives to Berlin, effected permanent organization, reprimanded the Reichstag and secured its capitulation. This survived until 1902, when it was found that the functions had far outgrown the existing type of union. In 1903 Oberbürgermeister Dr. Beutler, of Dresden, called the group together for reorganization, the object of which was to effect permanent union and adequate administrative machinery for a new era in municipal coöperation. This organization was completed in 1905 and the reformed union established at Berlin in that year.

At the time of its origin, the league contained 144 cities and 7 regional city-unions. At the present time there are 283 cities affiliated, with a population of 26,500,000, and all regional unions in Germany except the Lippe organization. This latter group of regional unions affiliated with the *Städtetag* contains 913 municipalities with a population of 5,400,000. The league is the spokesman for the local officials of thirty-two millions of Germans.

Each three years the general assemblies of the *Städtetag* occur, to which come 800 delegates. Between times there are annual meetings of a directorate of 130 delegates. The president is Professor Dr. Oskar Mulert, of Berlin, who directs a series of technical commissions which the *Städtetag* keeps constantly in operation, dealing with all phases of local government and administration.

The league publishes *Der Städtetag*, a weekly German National Municipal Review, which, however, is considerably larger than our own publication. The contents are much along the same line. It publishes also a quadrennial municipal statistical compendium, the *Statistische Vierteljahresberichte des Deutschen Städtetages*.

The National Municipal League and the REVIEW extend through this department their felicitations, and the old wish of "many happy returns."—*Der Städtetag*, October, 1930.

✣

Trolley Buses in Germany.—Recent years have witnessed a marked revulsion of feeling on the part of traffic engineers and experts regarding the place of the trolley car in a transit system. Several large cities in the United States have adopted trolley buses, as adjuncts to their electric street railway services. Among these are Philadelphia and Detroit.

Germany, meanwhile, has proceeded with experimentation in evolving a system which eliminates certain of the objectionable features noted in this country. Betriebsdirektor Dr. A. Schiffer, of Essen recently has published the *dernier cri* on the subject of trolley buses, being chiefly a description of the Mettman-Gruiten (Rhineland) transit service. Rome and Wiesbaden also have completed the installation of this type of service for their central areas, although too latterly to indicate significant results.

The advantages of trolley buses over street railways and gasoline buses are well established. As compared to trolley cars the elimination of danger hazards by the ability of the car to go to the curb, and the elimination of tracks in the street (which shortens the life of pavements on an average of three years, and increases annual cost including maintenance by $102.28 per mile of reinforced concrete pavement 40 feet wide—a fair example of the type of street upon which street cars generally operate). In addition the utility is saved the cost of track installation and maintenance, and the destruction of water mains by electrolysis is avoided. The pneumatic-tired trolley bus is silent. As compared with the gas bus the elimination of noxious fumes and noise, the stability of service due to the elimination of mechanical deficiencies, and the lighter weight per passenger, due to exterior motivation must be counted in arguments for the trolley bus.[1]

Herr Schiffer's conclusions are indubitably in favor of the substitution of trolley buses for other types of surface transportation. In Germany, where transit is commonly a municipal function, a composite view of the public welfare doubtless will encourage the adoption of this type. In the United States it is unreasonable to expect the utility companies to scrap the junk upon which they receive "fair returns" and depreciation allowances for the dubious service of the obstruction of traffic. The decline of the street railway return may, however, precipitate the complete abandonment of the rail services, and utility commissions could not do better than to investigate foreign experience as a preliminary to the alteration of franchise terms.—*Beschriebung des Elektrischen Oberleitungs Omnibusses Mettman-Gruiten* (brochure).

✤

Local Finance in Italy.—Only a few weeks ago the world read of the drastic salary cut program upon which His Majesty's Government in Italy has embarked. The precedents to this action in other phases of governmental contribution to national economic stabilization have gone almost unnoticed.

Local governments in Italy derive the major portions of their revenue from surtaxes upon alcoholic products. The idea of the central government is that localities should be of assistance in bringing Italy out of their slump in labor demand. The localities, therefore, must be provided with more money. An additional tax on alcoholic beverages is the easiest way to secure these funds. Mussolini has been waging a war against excessive alcoholic consumption anyway. Besides, the central government is hard put to keep afloat on revenues from all other services, and cannot make available new sources of revenue for the communes. The following are examples of the increases in consumption levies: wine, from 14 to 20 per cent; beer, from 66 to 71 per cent.

Other sources of communal revenue have likewise been increased. Gas and electricity consumption are subject to greatly increased levies, although the law in this regard is permissive and not mandatory, and the communes themselves may affirm or repeal these imposts within their jurisdiction even to the point of total exemption of gas and electricity consumption from local taxation.

Equally drastic are the food taxes. Beef, for example, has been taxed at 60 per cent, and is now subject to a 100 per cent levy. Veal is increased from 30 to 80 per cent. Mineral water—the only water in Italy which can be consumed safely—all spices and flavorings, including garlic, and sugars have been likewise increased.

These consumption taxes are, as applied to commodities to which exceptions have not previously been made, in lieu of the ancient "octrois." The government has created a reserve fund of 375 million lira for aid to localities which are unable to balance their budgets under the new plan, due to the recent marked contraction of public purchasing ability, and to the recent disasters in several parts of the kingdom. The old eighths produced about two and one-half billions of lira annually.

The new revenue law is, from any viewpoint except that of practicability, open to devastating criticism. As the editor of *L'Administration Locale* points out, it represents in certain aspects a progressive point of view, and in others a veritable *retour* in the direction of principles long since abandoned in other jurisdictions.—*L'Administration Locale*, September, 1930.

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[1] The Mettman-Gruiten trolley buses weigh, without motors, 3,920 kgs., the street cars 6,500. These trolley buses carry approximately 50 persons.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY RUSSELL FORBES

Secretary

Recent Reports of Research Agencies.—The following reports have been received at the central library of the Association since December 1, 1930:

Bureau of Governmental Research, Kansas City, Kansas:

Report on the General Bonded Debt of Wyandotte County, the City of Kansas City, Kansas, and the Board of Education.

Bureau of Budget and Efficiency of the County of Los Angeles:

Survey of the City Clerk's Office, Los Angeles, California.

League of Minnesota Municipalities:

State Income Taxation.

Bureau of Municipal Research of Philadelphia, for Thomas Skelton Harrison Foundation:

Criminal Division Probation in the Municipal Court of Philadelphia.

Filing of Social Case Records in the Municipal Court of Philadelphia.

Stamford (Conn.) Taxpayers' Association:

The Town Poor House.

League of Wisconsin Municipalities:

Annexation of Territory by Cities—Procedure and Forms.

*

California Taxpayers' Association.—The Association has drafted tentative bills outlining the fundamentals necessary to be incorporated into law in order to make effective California's prison industries. These bills provide for the state-use system of marketing prison goods, which is designed to eliminate, as far as possible, competition in the open market. Suggestions are also made for the organization and development of the prison industries themselves. This work is based on a previous survey made by the Association.

Coöperating with the Los Angeles Chamber of Commerce and other civic organizations, the Association has prepared a bill establishing a limitation on the amount of special assessments.

The state department of finance, in preparing the state budget for the next biennium, has made use of the estimates of revenues to accrue to the general fund, which have been made by the Association during the past months. The revenues to the highway fund, which is the largest fund of the state of California, have also been estimated by the Association. These estimates have been used by the highway department in the preparation of its budget and are the basis of its ten-year building program.

The Association has drafted an ordinance providing for a central purchasing office for San Diego County. The board of supervisors of that county has adopted this ordinance, thus making effective the consolidation of a large number of purchasing offices in San Diego County. The board is now asking the Association to recommend the systems to be used in this new office.

The Association's study of the University of California will soon go to press. This report will show the unit cost of teaching segregated by departments and subjects, and will make possible direct comparison between classes in the upper and lower divisions of the University. The units used are the cost per enrollment hour and the cost per academic unit granted.

The Fresno County division, coöperating with the Fresno County board of supervisors, has engaged the research department of the Association to conduct a complete study and analysis of the Fresno County school system. The survey will reveal the per capita costs of education, construction costs, the curriculum offered, and a detailed analysis of the teaching load and teaching cost of each school district in the county.

The Contra Costa County division is making a survey of the schools of that county. A commission of ten leading citizens of the county, to comprise an advisory committee to sit with school authorities for the study of the problem, has been appointed.

A joint survey committee of representatives of the state Junior College Association and California Taxpayers' Association has under way a financial survey of the various junior colleges in the state.

Rolland A. Vandegrift, former secretary of the Association, has been appointed by the newly-elected governor, James Rolph, Jr., to the office of director of finance of the state of California.

*

Philadelphia Bureau of Municipal Research.—The results of an examination of the methods of "Filing of Social Case Records in the Municipal Court of Philadelphia" are set forth in a report by that title made by the Philadelphia Bureau of Municipal Research recently published by the Thomas Skelton Harrison Foundation.

A social case record of the municipal court consists of a number of papers relating to the problems of a family or individual and of the social or legal treatment applied to these problems by the court. The court handles a tremendous volume of these records. On June 30, 1930, after 16½ years of operation, the number of records is given as 210,247. Preservation of these records and finding them promptly when they are called for is an imposing task.

The report sets up a number of standards for case-record filing and compares the practice in the court with the standards. Attention is also given in the report to the filing organization as a whole. The court has a record bureau, which at the time of this study had charge of the record filing of only three probation divisions. There were seven other record sections, three for probation divisions and four for medical divisions. The worker in charge of each of these divisions was responsible to the probation officer or director in charge of the division rather than to the clerk in charge of the record bureau. Each of the ten record sections had its own index. Some had more than one index. In addition, another unit of the court, the central registration bureau, maintained an index of all the probation cases. Such a situation naturally suggested possibilities of consolidating the case record filing, and these possibilities are discussed in the report.

This report was written by Arthur Dunham, secretary, child welfare division, Public Charities Association of Pennsylvania; formerly secretary, Philadelphia Social Service Exchange.

Another report by the Bureau published as part of the Harrison Foundation's municipal court survey series gives an intimate view of the probation work done in the municipal court with persons convicted of criminal offenses. The report entitled "Criminal Division Probation in the Municipal Court of Philadelphia" falls into two parts, dealing, respectively, with the men's criminal division and the women's criminal division.

Examination convinced the writer of the report that the work of the men's division could not be "dignified by the name of probation." There was little or no investigation; little or no home visiting. Some probationers called at the office regularly; many did not; and interviews with those who did were stereotyped and brief. Nothing was planned for probationers or their families. Resources of the court, such as the medical department, and of outside agencies were ignored. Even record keeping was being neglected. The writer attempted to measure the work by accepted standards but gave it up, since "it is merely a question of totaling the noes."

The fundamental difficulty was an incompetent staff, and the principal recommendation of the report is the establishment of a merit system for the court's probation personnel.

Passing on to the women's division, the report finds the work much better done. This division also failed to plan for probationers and also neglected resources available both in the court and out. But it did investigate cases; did make home visits; and did keep satisfactory records. Probationers were largely foreign women convicted of illegal selling of liquor and could not be regarded as very hopeful probation material. The report states that under the circumstances the results obtained were surprisingly good.

This report was written by George E. Worthington, Esq., general secretary and counsel, Committee of Fourteen, New York City; formerly acting director, department of legal measures, the American Social Hygiene Association, New York City.

Interested persons may obtain copies of the reports referred to above free of charge upon application to the Bureau of Municipal Research, 311 South Juniper Street, Philadelphia, Pa.

*

Schenectady Bureau of Municipal Research.—Albert H. Hall, managing director of the Bureau, resigned as of January 1, and assumed new duties as director of the Bureau of Training and Research of the New York State Conference of Mayors and Other Municipal Officials. This new division of the Conference has been created to supervise the training of all classes of municipal employees and to conduct research studies into municipal problems of state-wide importance. The work has been made possible by a six-year grant from the Spelman Fund of New York.

The Capital Budget Commission has completed its work on revising the current expenditure side of the capital budget and is now considering changes in the original capital program. In conjunction with its work on the Commission, the Bureau has completed a study of municipal revenues, recommending additions to present sources and the inclusion of hitherto unused avenues of income. Also in this connection, the Commission has gone on record as favoring an allocation of the gasoline tax to cities and has urged proper authorities to bring about this change.

The radio series sponsored by the Bureau and the New York State Mayor's Conference is now under way and is receiving favorable comment. Nine speakers are yet to be heard.

In conjunction with the city bureau of sewage disposal and Union College, the Bureau has aided in the preparation of a film showing the operation of the sewage disposal plant. This is the first film ever made by the city of a municipal function. The Bureau plans to inaugurate an extensive plan for reporting city activities to groups by means of motion pictures.

NOTES AND EVENTS

EDITED BY H. W. DODDS

Correction of Errors in Comparative Tax Tables.—Two errors in the comparative tax tables published in the National Municipal Review for December have been called to our attention by Charles Roser, auditor of the Public Utilities Bureau, Louisville, Kentucky. For New York City the school rate should read $5.24, rather than $5.74 as noted in the tables. For San Francisco the total tax rate per $1,000 per assessed valuation should read $40.50, instead of $40.40.

⁂

Mr. Gove Replies to Mr. Newman.—In the January issue of the National Municipal Review appeared an article by Bernard J. Newman, reviewing the housing code prepared by the New York state board of housing, which misinterprets the purpose of the code and the use intended for it.

The pamphlet issued by the New York state board of housing is entitled "A Housing Code." It was prepared to meet requests from municipalities in the state for provisions relating to light and air "suitable for adoption either as a separate ordinance or as part of an existing ordinance" when no provision had already been made. It is a model in the sense that it may serve as something to be followed. It is not intended as a complete specification for the planning or construction of buildings. No law should be that. If, however, its provisions are observed, it is believed that the public safety, in the matter of housing, will be secured. Support is given to this view by favorable comments from competent health authorities.

Apparently, the reviewer was disappointed in not finding the elaborate detailed requirements generally incorporated in housing codes. His comments are directed chiefly against what he regards as flaws in the text and inconsistencies which a closer and more careful reading would clear up. He has evidently not sought the underlying and governing principles.

The late Charles P. Ball, chief sanitary inspector of Chicago, in an address before the Building Officials' Conference of America, in 1918, pointed out, very properly, that the room was the unit around which the provisions for hygienic conditions in buildings should be formulated. In the housing code, rooms in residence buildings must open to the outer air through the medium of openable windows, the spaces on which they open being of prescribed minimum but adequate dimension; rooms in business buildings must be ventilated either by the method prescribed for residence buildings or by mechanical means; places of assembly, with certain exceptions, must be mechanically ventilated; in institutional buildings a combination of both methods is prescribed.

Criticism has been directed against the required dimensions of the open spaces, more specifically the depth of yards behind residence buildings. It is stated that "yard area requirements here permit lot coverage greater than is permitted under similar conditions by the city code," the reference being to the law applying to New York City. The "city code" fixes the minimum depth of yard at thirteen feet for interior lots and six and one-half feet for corner lots; whereas the housing code calls for "not less than fifteen feet" on interior lots and "not less than ten feet" on corner lots. Furthermore, when windows open on such yards (and it is hardly conceivable that residence buildings would not use such open spaces for ventilation), the width of yard for a building ninety feet high must be thirty feet in any case under the housing code, as compared with twenty feet for interior lots and ten feet for corner lots under the "city code."

After all, the amplitude of the open spaces is the determining condition of the healthfulness of the building. In the housing code the minimum dimensions prescribed for courts, including yards, for residence buildings are such that at least once during the year, at the summer solstice, for a short period of the day, sunlight can penetrate to the bottom. This is a higher standard, in the most essential requirement for housing, than set by any other code. It is well above that set for side courts in the "city code"; though it should be remembered that the housing problem in New York City is a special one, not comparable with that of other municipalities of the state.

The minimum size of rooms is criticized by the reviewer. On the other hand, the views of health officers would lead to the belief that the regulation of room dimensions is unnecessary. There is no demonstrated relationship between size of rooms and health. There are rooms in multi-family houses in New York City which have a width of only six feet, regarding which there has never been any complaint; some of them are operated by semi-philanthropic organizations. It is not more than two years since the "city code" permitted servants' bedrooms to be six feet wide. Are we to assume that the health of domestics is a negligible matter? The present "city code," the multiple dwelling law, permits rooms in hotels, boarding houses, boarding schools, college dormitories, among other occupancies, to be only six feet wide. The permissible use in buildings hereafter erected of six-foot rooms which open, as required by the housing code, on open spaces such as prescribed, will make possible the building of houses for those who are now forced to live in slum conditions by the rents which they can afford to pay.

Time and space do not permit to make a fuller analysis. The basic principles outlined herein will indicate the underlying purpose. It is believed that adequate detail is given to assure compliance with the intent of the code by fair-minded authorities. In the hands of others, no amount of detail will give such assurance.

George Gove.

State Board of Housing.

*

Reorganization of the State Government of Georgia.—The movement for reorganization of the state government of Georgia began several years ago. In 1922, Governor Thomas Hardwick employed Griffenhagen & Associates to make a survey. The following year, when he submitted the report of Griffenhagen to the legislature, he sent a message to the legislature in which he said: "We are board-ridden, commission-ridden, and trustee-ridden in this state." But nothing was done at that time.

Lamartine G. Hardman made reorganization one of the main issues in his campaign for the governorship against John G. Holder in 1926, and was elected by an impressive majority. True to his pledge, he called upon the legislature in his first message in 1927 to bring about the consolidation of the state administrative system. Governor Hardman was not successful, although the legislature did not ignore the matter entirely.

Undaunted by defeat in 1927, Hardman carried the issue again to the people in 1929. Senator E. D. Rivers was his opponent this time. Governor Hardman was reëlected by an overwhelming vote.

In April, 1929, the Governor appointed a commission composed of seventeen men to work out a plan for reorganization. Ivan Allen of Atlanta was made chairman of this body. The commission held its first meeting at the Capitol in Atlanta during the latter part of April. At this meeting a sub-committee of three men was designated to work out the details of a plan. This sub-committee was made up of the chairman, Mr. Hooper Alexander, and the writer.

Early in June of the same year (1929), the sub-committee made its report to the plenary commission. A preliminary draft of a bill covering the recommendations was submitted along with the report. The sub-committee's report was accepted by the commission with only a few changes. The Allen Plan, as it was called, provided that the 90 boards, departments, offices, etc., of the state should be consolidated into fifteen departments, one commission, and two boards. Most of the department heads were elected by the people prior to this time, but the plan of the commission called for the appointment of six heads by the governor with the consent of the Senate, the auditor was to be elected by the legislature, and the people were to elect six department heads.

Governor Hardman endorsed the Allen plan and transmitted it to the legislature in July, 1929. The report was referred to the committee on the State of the Republic by Speaker Russell. Mr. Hugh Peterson who was chairman of that committee had been a member of the Allen Commission. Peterson's committee held several hearings on the proposed bill and made a few changes in it. After these changes were made, the committee adopted the measure by unanimous vote. Many state politicians were bitterly opposed to the act and tried to prevent consideration of it by the House. However, in spite of these efforts, the bill came up for a vote during the last week the legislature was in session and it was killed by a vote of 81 to 109. The upper house did not take any action.

In the 1929 campaign for governor, reorganization of the state government was a vital issue.

There were five candidates in the field for the Democratic nomination, and the staunchest advocate of consolidation, Richard B. Russell, Jr., was victorious.

In the meantime, Governor Hardman had employed Sears, Miller & Company of New York to make a survey of the state government. The Georgia Tax Association paid for this survey. The report recommends drastic reorganization and the reduction of the number of departments from 108 to 17. Governor Hardman does not go out of office until next June, and it is rumored that he will call an extraordinary session of the legislature to consider administrative reorganization. I think that it is very unlikely that Governor Hardman will call a special session in view of the fact that Mr. Russell defeated the candidate that Hardman backed.

It looks as if Governor-elect Richard B. Russell, Jr., will be able to succeed where others have failed. He is very popular with the legislature and this will serve him in good stead. Mr. Russell is thoroughly committed to the program for simplification and, no doubt, will carry it through.

Cullen B. Gosnell.

⁂

Chicago Council Authorizes First Step Towards a New Subway.—July 1, 1930, the voters of Chicago approved an ordinance of the city council providing for a comprehensive unified local transportation system for the city and the adjacent metropolitan area and granting a franchise to the Chicago Local Transportation Company, which is to be organized to operate the unified system. This ordinance includes a provision requiring the city to construct, at its own expense, for the use of the company, a four-track subway in downtown State Street, extending north and south about three and one-half miles and connecting at its termini with the present North Side and South Side elevated railway structures.

It is planned to finance the subway as a local improvement. Under this plan, part of the cost will be paid by special assessments, to be levied in forty installments against abutting and other property in the district that will be specially benefited by the improvement. The remainder of the cost will be assessed against the city for "public benefits" and will be paid from the so-called "traction fund," which has been accumulating since 1907 under the provisions of the street railway franchises of that year requiring the companies to pay to the city a percentage of their receipts.

On December 15, 1930, the city council passed an ordinance authorizing the construction of the subway and directing the corporation counsel to institute necessary court proceedings under the local improvement act for levying the proposed special assessments. The estimated cost of the improvement as set forth in the ordinance, including engineering and other overhead expense of $1,959,000, is $44,500,000. Actual construction work (except on the section under the Chicago River, the estimated cost of which, $3,354,000, is to be financed entirely from the "traction fund") must await the final disposition of the special assessment proceedings. It is doubtful whether even the river section will be built until the various legal questions involved in such proceedings have been settled.

Harris S. Keeler.

⁂

Springfield's (Missouri) Mayor in Difficulty.—Petitions are being circulated at this writing (November 25) asking the recall of Mayor Thomas H. Gideon of Springfield, Missouri. Mayor Gideon was elected for a four-year term in April, 1928. Since his induction into office, the career of Mayor Gideon has been exceedingly stormy. In October of last year (1929) in one of the most bitterly contested campaigns in the city's history, the mayor successively survived a recall election. The vote in this first recall election was 7,511 against the recall and 6,624 for the recall.

The movement in this earlier attempt to dismiss Mayor Gideon centered around the activites of his chief of police. At the time of this recall election, the chief was under indictment by a federal grand jury on a charge of illegally transporting liquor from the police station. Later, the chief was convicted on this charge, but the mayor steadfastly refused to fire him, even after his conviction, while an appeal was pending in a higher court. But the conviction was finally sustained, and Springfield's former chief of police is just now completing a year's sentence in the federal penitentiary at Leavenworth.

It also appears now as though the mayor was about to follow in the footsteps of his subordinate. Since the recall election of last year, Mayor Gideon himself has been indicted and convicted in federal court for conspiracy to violate the prohibition law and sentenced to two years in prison. He has continued in office while his appeal is pending. The petitions for a second recall election cite Gideon's conviction and also charge him with general incompetency, failure to administer laws, extravagance in the use of public funds, and failure to recognize women in public appointments.

MARTIN L. FAUST.

◆

The Public Administration Clearing House Begins Operation.—Increasing recognition of the importance of the problems of administration in government is indicated by the organization of the Public Administration Clearing House which will begin operation in Chicago in February under the direction of Louis Brownlow, first vice-president of the National Municipal League, formerly president of the International City Managers' Association, and an active participant in the affairs of several organizations concerned with the problems of government.

The Clearing House is to be governed by a board of trustees, seven in number, of which former Governor Frank O. Lowden of Illinois is chairman, former Governor Harry F. Byrd of Virginia is vice-chairman, and Richard S. Childs of New York, president of the National Municipal League, is treasurer. Other members of the board are Newton D. Baker, former secretary of war, Chester H. Rowell of California and Louis Brownlow. The seventh member of the board who will be a Canadian is yet to be chosen.

The object of the new organization is indicated by its name—it is to be a clearing house of information and ideas in the field of public administration. It will undertake no direct work on its own account—it will not make surveys nor undertake studies. It will endeavor to find out what is being done in the field of public administration by organizations of operating officials, by research units, in the universities and so on, and make the results available to other organizations.

Headquarters of the Clearing House will be at Drexel Avenue and 58th Street in Chicago, near the University of Chicago, and in close proximity to the City Managers' Association, the Bureau of Public Personnel Administration and the American State Legislators' Association.

The Clearing House has been financed for a ten year period by the Spelman Fund of New York.

Mr. Brownlow, who has been chosen as director of the new organization, has been serving as municipal consultant to the City Housing Corporation in the building of the model city of Radburn, N. J. He will remove to Chicago to take up his new duties early in February.

◆

Delaware Executive Raps County Government.—The existing system of county government in Delaware came in for strong condemnation by Governor Buck at the annual dinner of the Taxpayers' Research League of Delaware of which Russell Ramsey is director. Our county government, said the governor, is almost what it was in colonial days. The waste of money it entails startles the imagination and it is incredible that the public which pays the bills should be content to sit by and see it continue. The governor cited the fact that each county in Delaware maintains its own road building commission, although the state appropriates millions of dollars for improvements. "Remove road building from the jurisdiction of the county levy courts," declared the governor, "and you remove political patronage and the courts' chief work for which there seems to be hardly any excuse." We elect one man for four years to run the affairs of the state and thirteen men to conduct the business of the county and we pay three times as much for this service as we pay for the state, he added.

We agree with the governor. Delaware is a small state with only three counties. Their right to continue as semi-autonomous political units is indeed questionable.

◆

Training Schools Under New York State Conference of Mayors.—During December and January the New York State Conference of Mayors and other Municipal Officials conducted training schools for four classes of officials.

On December 2 and 3 a school for building inspection officials was held at Syracuse in coöperation with the state department of labor and the state board of housing.

During the week of December 1 a school for instructors of municipal police training schools was conducted at Troy. It was attended by instructors from sixteen municipal schools. They were trained in methods of instruction in the following subjects: laws of arrest, observation, search warrants, police courtesy, vehicles and traffic law and methods of enforcement, evidence, and local ordinances. Previous lectures on assault, larceny and disorderly conduct were reviewed.

On December 4, 5 and 6 a training school for municipal public welfare officials was carried on in Albany. It was attended by twenty-four commissioners of public welfare and their staffs, representing twenty cities.

On January 28, 29 and 30 a training school for city and village assessors was held at Albany.

The New York Conference, under the able leadership of William P. Capes, is to be congratulated upon the notable work being done in the development of training schools for public officials. It is significant that it is a coöperative movement of the officials themselves through the instrumentality of their own conference and is not being imposed upon them by higher state authorities.

✤

County Government Reform Considered in Texas.—As we go to press we are advised that a constitutional amendment is to be introduced into the Texas legislature to enable counties to set up modern governmental organization under home rule authority. Texas counties are governed by a county commissioners' court which is similar to the board of supervisors in other states. The idea behind the amendment is to permit counties to transform the county commissioners' court into a true governing body with power to appoint the usual administrative officers. One issue involved appears to be the abolition of the fee system of payment of county officials. It is rumored that county officers in the larger counties of Texas which contain good-sized cities now receive as much as $100,000 a year from fees for the administration of their office.

The amendment is sponsored by the Fort Worth Chamber of Commerce and was prepared by a committee under the chairmanship of the Hon. Walter H. Beck, who will introduce it into the legislature.

✤

Pittsburgh Plan for Citizenship Training.—As many of our readers know, A. Leo Weil of Pittsburgh has interested himself for a number of years in training for citizenship. He is chairman of the Pittsburgh Committee for Education, and his report recently published is a record of progress in coöperation with the public and parochial schools, as well as with the institutions of higher learning, of his city. Plans for organizing school children into little democracies with definite projects to be carried out and for the revision of teaching courses to emphasize the moral obligations of citizenship are now well under way.

✤

Civic "Kits."—In connection with a series of luncheons on adventures in citizenship, the Boston League of Women Voters has adopted the novel practice of circulating "kits" on Boston's city government. The kits are envelopes containing brief mimeographed articles on such topics as digest of present city charter, health, relief, library, schools, budget and the like. By this means the addresses of specialists in the various fields of municipal activity are made more helpful and intelligible to the members.

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CONTENTS

Editorial Comment . . . *H. W. Dodds* . . . 121
Headlines . . . *Howard P. Jones* . . . 125
Arlington County Adopts the Manager Plan . *Hugh Reid* . . . 127
Administrative Reorganization in Maine . . . *Orren C. Hormell* . . . 131
The City Manager in Kentucky . . . *Roy H. Owsley* . . . 133
Tax Reform in Tennessee . . . *Frank W. Prescott* . . . 136
The Municipal Science Institute of the University of Berlin . . . *Prof. Dr. Walter Norden* 139
Substituting Precision for Guesswork in Personnel Efficiency Records . . . *J. B. Probst* . . . 143
Oregon's Recent Experience With a Party Convention . . . *James D. Barnett* . . . 148
American Governors Since 1915 . . . *Samuel R. Solomon* . . . 152

DEPARTMENTS

I. Recent Books Reviewed . . . 159
II. Judicial Decisions . . . *Edited by C. W. Tooke* 165
III. Public Utilities . . . *Edited by John Bauer* 168
IV. Municipal Activities Abroad . . . *Edited by Rowland A. Egger* 172
V. Governmental Research Association Notes . . . *Edited by Russell Forbes* 175
VI. Notes and Events . . . *Edited by H. W. Dodds* 177

The contents of the National Municipal Review are indexed in the
International Index to Periodicals and in *Public Affairs Information Service*

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THE LEAGUE'S BUSINESS

Two-day Meeting of Officers.—The vice presidents and council of the National Municipal League met at the Union League Club of Chicago on February 21 and 22. The following officers and staff members were present:

Richard S. Childs, New York City, *president;* Louis Brownlow, Chicago; C. E. Merriam, Chicago; Thomas H. Reed, Ann Arbor; A. Leo Weil, Pittsburgh; Harold S. Buttenheim, New York City; Morris B. Lambie, Minneapolis; Mrs. Virgil Loeb, St. Louis; William P. Lovett, Detroit; William B. Moulton, Chicago; Chester H. Rowell, Berkeley; Laurence A. Tanzer, New York City; Howard P. Jones, *public relations secretary;* Harold W. Dodds, *editor,* NATIONAL MUNICIPAL REVIEW; and Russell Forbes, *secretary.*

The following were also present as invited guests:

Guy Moffett, New York City; Clarence E. Ridley, *secretary,* International City Managers' Association, Chicago; Colonel Edward Davis, United States Cavalry, Chicago; Edward M. Martin, *public affairs secretary,* Union League Club of Chicago; and H. L. Woolhiser, *village manager,* Winnetka, Ill.

The opening session was a general discussion of the present status of the League's work. Before luncheon four committees were appointed by the president to make a critical study of various phases of the League's activities. These committees were appointed to study and to report on: (a) the NATIONAL MUNICIPAL REVIEW; (b) membership promotion; (c) financial appeals to individuals and foundations; and (d) publicity work and promotion of the League's principles. These committees met during luncheon and considered their respective subjects at length. The afternoon session was given over to receiving and discussing the reports from these critical committees.

The session on the forenoon of February 22 was devoted to discussion of the business affairs of the League. The Hon. Murray Seasongood, former mayor of Cincinnati, and the Hon. William Tudor Gardiner, governor of Maine, were elected as members of the council to fill vacancies for the three-year term ending December 31, 1933. Howard Strong, executive vice-president of the Wilkes-Barre Wyoming Valley Chamber of Commerce, was appointed as a member of the executive committee of the council, in place of Dr. Charles A. Beard, who is now second vice president.

On the recommendation of the secretary, the council voted to change the fiscal year to coincide with the calendar year. The executive committee was authorized to formulate and to adopt a budget for the nine-month period from April 1, 1931 to December 31, 1931. Thereafter the annual budget is to be adopted for each calendar year.

The council authorized the executive committee to include in the budget for 1931 whatever sum is necessary to employ a financial secretary whose function it would be to organize membership councils in different cities and to increase the number of contributors wherever possible. The executive committee was also authorized to appoint a finance committee of the council to supervise the work of promotion of membership and contributions.

The council voted to hold the 1931 convention in Buffalo on November 9, 10 and 11.

At this closing session a number of valuable suggestions were made for future committee work and research projects as a means for broadening the League's work program. The executive committee was authorized to appoint committees to carry out any or all of such recommendations.

This is the first time in the history of the organization that the officers met for two days to discuss its work program and business affairs. It was the consensus of opinion of all those present that such meeting should be held at least once a year in the future.

RUSSELL FORBES, *Secretary.*

NATIONAL MUNICIPAL REVIEW

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EDITORIAL COMMENT

The political reformers of the United States who gather at the annual convention of the National Municipal League believed, in 1920, that they had found in the city manager plan the correct solution of the problem of how to organize our American city governments. In 1931 they are convinced that their thesis has now been proved by ample experience.—(Richard S. Childs, writing in the February *Review of Reviews.*)

*

Cleveland is experimenting with a low zone fare for its street railway in the shopping and business district along Euclid Avenue between the Public Square and East 22nd Street. The fare within this zone is now 3 cents and it has been demonstrated that this low rate stimulates car riding within the territory. As a revenue measure, the innovation appears to be successful. At the 3-cent fare, the street railway appears to be producing slightly more revenue than did the regular rate of fare.

For a full report of the experiment see the article by A. F. Blaser, chief engineer of the Cleveland Street Railway Commission, in the Notes and Events department of this issue.

*

For the second time the legislature of Missouri has before it a proposed constitutional amendment dealing with the reorganization of the administrative department of the state government. The present proposal is very similar to the one introduced two years ago. It would do away with the popular election of the secretary of state, attorney general, treasurer, auditor, and superintendent of public schools. It would vest in the governor the power of appointing the heads of these departments and would provide an executive budget under the control of the governor. At this writing it is impossible to predict what action the legislature will take.

*

The theoretical automobile capacity of a street is greatest when the cars are moving at 23.5 miles per hour, according to M. O. Eldridge, assistant director of traffic of the District of Columbia, speaking to the American Road Builders' Association at their recent convention in Washington. Assuming four-wheel brakes and an average length of cars of 14 feet, 2,600 cars per hour can be accommodated in a single traffic lane. With speed increased to 35 miles an hour, only 2,340 cars can move along a single traffic lane in one hour. At 45 miles per hour the number drops to 1,760. The reason, of course, lies in increased intervals which must be maintained between cars if reasonable safety is to be assured.

Roy I. Kimmel, a graduate student of Yale University, who is also a member of the Connecticut house of representatives, has begun an attack upon the rotten boroughs of the state in the interest of fair play for the larger cities. In the last election, Mr. Kimmel asserts, 153,000 Democratic voters elected 85 members to the state house of representatives, while 93,000 Republican voters elected 182 members.

Rotten boroughs are not unusual in American state government. Sometimes they take the form of political gerrymanders but on other occasions they result from the deliberate purpose to restrict proportionate urban representation in the state legislature. Several years ago, Lane W. Lancaster pointed out in the REVIEW that five-sixths of the population of Connecticut elected less than one-third of the legislature.

Surely the time has come to reëxamine our representative system or cease talking about government by majority.

*

The old governmental system of guilds is one of the best forms of government ever devised. Thus does Governor Larson of New Jersey defend the 72 boards and commissions, aggregating 500 members, against the recommendation that they be supplanted by a small number of centralized departments. The reformers, continues the governor, would change what is really government by representative bodies into government by autocratic heads who may have no knowledge of the affairs they are administering.

The same week in which Governor Larson released the above, Governor Fisher, retiring after a four-year term, declared in his final message to the legislature of Pennsylvania that centralization of the financial functions of the state had brought a large measure of relief to other departments. Quantity buying, he said, alone has effected marked savings which will become more pronounced as the system of centralized purchasing is more fully developed. Consolidation of administrative functions, introduced in the first administration of Gifford Pinchot and extended somewhat in the administration of Governor Fisher, enabled the retiring governor to hand on a surplus to his successor in contrast to the deficit which was the usual inheritance of the incoming governor of Pennsylvania prior to 1923.

*

A New Style in Speed Limits

It is well known that current methods of fixing the legal speed limits for automobiles are not proving satisfactory. Driving conditions are varied and the fixed limits which would hold traffic uniformly to a speed of 30 to 25 miles per hour are coming to be considered obsolete. To avoid the difficulties of rigid limits some states have introduced the so-called prima facie clause, under which an operator arrested for exceeding the speed limit is only prima facie guilty and may introduce evidence showing that under the conditions which obtained he was not in fact driving in a dangerous manner.

Three or four other states have abolished speed limits entirely, requiring that operators should at all times drive at a reasonable and proper speed. Motorists who have had experience with the enforcement of this type of control in Connecticut and elsewhere know that the "rule of reason" may be most arbitrarily applied.

For these reasons the National Conference on Street and Highway Safety in coöperation with the Albert Russel Erskine Bureau for Street Traffic Research has turned its attention to devising a new rule which will eliminate the evils of the present speed limit regulations. Their proposed rule is in two parts. Part one prohibits driving "at a speed which is greater than is reasonable and proper" or which is greater than will permit the operator "to decrease speed or stop as may be necessary to avoid colliding with any person, vehicle or conveyance." Thus an operator is subject to conviction even though driving at a speed of only five or ten miles an hour if such speed was unreasonable under the conditions prevailing at the time or was such as to result in collision.

The second part of the rule is intended as a practical guide for the enforcement of the first part. It indicates speeds of 15 miles per hour near schools, 20 miles in business districts and other special locations, 25 miles in residence districts, and 45 miles in the open country. But these figures are not speed limits. An operator is not to be subject to conviction merely because he exceeded them. They are, however, to be used as a measure of the degree of any offense which may be called bad driving. An operator driving in excess of the indicated speeds who collides with another vehicle or who violates a rule of the road is subject to the heavy penalties of reckless driving.

It is the intention of the new rule to transfer the emphasis from speed alone to the manner of driving. Enforcement energies can now be concentrated on the really reckless driver, say the authors of the new rule, with the assurance that the punishment will fit the offense.

⁂

Amendment to Complete City-County Consolidation in Philadelphia

As students of municipal government well know the attempted consolidation of the city and the county of Philadelphia in 1874 was not completely successful. Because of court decisions, the city and county units have not remained merged to the degree anticipated by the sponsors of the consolidation act and in force for twenty years after the passage of the act. The county offices of importance are still elective and no centralization of executive authority has been secured. Uncertainty exists as to where the authority of the city officials ends and that of the county officials begins. There is also doubt as to the power of the legislature to correct conflicts of jurisdiction now existing. The present situation is far from satisfactory and conditions can only be rectified by a sweeping constitutional amendment.

At the request of a member of the state legislature, the Philadelphia Bureau of Municipal Research has prepared a constitutional amendment for introduction into the present session of the legislature. The objectives which the proposed amendment seeks to attain are expressed as follows in a recent bulletin of the Bureau:

(1) To provide an up-to-date governmental structure for county business in lieu of the present antiquated structure, and to leave a minimum of distinction between departments, officers, and employees performing county functions and those performing city functions. This is accomplished by making county as well as city functions the responsibility of a single municipal corporation, the city.

(2) To guarantee that the usual functions of the county officers now named in the constitution will be performed in Philadelphia, but to give the legislature complete freedom to arrange or to permit the city to arrange the machinery by which county functions will be performed by the city.

(3) To make possible by legislative enactment a reduction in the number of officials elected to perform county functions. Many avenues to effective administrative and financial control are now blocked by elective officers who should be appointive.

(4) To remove all constitutional restraints against delegation by the legislature to the city of power to fix the number and compensation of, and to regulate matters of personnel administration for, all officers and employees paid out of the city treasury.

(5) To wipe out what remains of the fee system.

(6) To enable the legislature to deal, in laws for cities or for counties, with Philadelphia's special and unique city-county situation without violating prohibitions against local and special legislation, at the same time not relaxing the prohibition further than is necessary to deal with the special situation.

*

Elective Utility Commissions

In Pennsylvania Governor Pinchot is urging an elective public utility commission to be known as the Fair Rate Board, as a substitute for the present appointive public service commission. The argument for the change is well expressed by Morris L. Cooke in a recent communication published in the Philadelphia *Record.* There is, he believes, a decided tendency on the part of appointive public service commissioners to become more responsive to the demands of the companies than to considerations of public interest. The elective system has the notable advantage, he urges, of affording the commission an opportunity to get the public point of view and to explain and defend its policies before the people.

To many who still see in the public utility commission idea an opportunity for the development of quasi-legislative and quasi-judicial bodies of a high professional order, the suggestion of an elective system will come as a shock. In these days when government is interesting itself in so many fields once considered purely private enterprise, many have felt that success or failure depends in the last analysis upon securing political independence and high technical qualifications in administrative office. Such persons have believed that these qualities can only be secured by executive appointment for long terms. Such a view holds that democratic responsibility will avail nothing unless linked with high technical capacity; and if technical fitness is to be secured and cultivated a large degree of independence from politics must be guaranteed.

While possessing the utmost respect for the public spirit and expert capacity of Mr. Cooke and the others who are behind the Pennsylvania proposal, the present editor cannot but feel that it would be a retrograde movement. Granting that the public utility commissions have fallen far short of the attainable ideal of utility regulation, and conceding that they have been too willing to assume acquiescent judicial attitudes at times when they should have been prosecuting the public interest, we cannot see how Governor Pinchot's plan for elective commissions would improve the situation. Undoubtedly, many of our Pennsylvania friends consider our position highbrow and academic. They will reply that they are confronted by a practical situation; that the present commission is bound by a series of entangling alliances; that only an elective body can break those alliances; and that a new broom sweeps clean.

The proposal is, therefore, a form of ripper-legislation to be justified only under extraordinary conditions. Whether such conditions exist is surely a debatable question.

The Pennsylvania proposal might clean the augean stables but we doubt its ability to keep them clean.

HEADLINES

After a two-year study, the county home rule committee of California has recommended to the legislature that power be centralized in a county chief executive and that legislative and administrative functions be separated. Three optional forms of charter are suggested.

* * *

A measure which would give Philadelphia the right to vote on the city manager plan with proportional representation has been introduced into the state legislature. Prospects for passage are reported bright.

* * *

The Pennsylvania legislature now has before it a bill making optional the city manager plan with proportional representation for second and third class cities, and another bill which would permit third class cities to adopt the manager plan without P. R.

* * *

Petitions are being circulated in Saranac Lake, New York, for the adoption of proportional representation. Before the plan could be used, the approval of the legislature and the village board of trustees would have to be obtained. P. R. advocates see the likelihood of a test case on the plan's constitutionality in the Empire State.

* * *

Even the tooting of auto horns must stop in Paris, France, between the hours of 10 P.M. and 6 A.M., according to a new anti-noise decree adopted by Prefect of Police Jean Chiappe and his traffic commission. Another excuse for Americans going to Paris—to get a good night's sleep!

* * *

An amendment to the Oregon constitution which would permit the consolidation of local governments within Multnomah County, which includes Portland, is being sponsored by the City Club of Portland.

* * *

Voters in mayor-council cities in New York State will be unable to force the drafting of a new charter by petition, if a bill which has just passed the senate becomes law. The measure would repeal the 1914 optional forms of government act. Another bill, providing an amendment to the home rule law, may solve the problem.

* * *

City manager charters for Waterbury and Stamford, Connecticut, together with alternative charters, are being presented to the Connecticut legislature this session.

* * *

Charters providing for the city manager plan for Huntington and Charleston, West Virginia, are scheduled for presentation to the West Virginia legislature.

Abolition of the office of secretary of state and the creation of an executive department containing six bureaus, with the governor at its head, is recommended by the Institute of Government Research in a report on a survey of the state government of North Carolina.

* * *

Home rule for West Virginia cities is one of the several constructive recommendations of the legislative commission which was appointed in 1929 to consider revision of the state constitution. Shortening of the state ballot is also suggested.

* * *

Utah cities, of all classes, will be able to adopt the manager plan under the terms of a bill scheduled for presentation to the state legislature at this session.

* * *

A city manager enabling act for second and third class cities is before the Washington state legislature. Other constructive measures propose permanent registration and creation of a commission to draft a new election code.

* * *

Seven hundred million dollars has been raised within the last three months by local governments for public construction, according to a report by the President's Emergency Committee for Employment.

* * *

Repeal of the Indiana primary law is advocated by Governor Harry G. Leslie of Indiana in his annual message to the legislature.

* * *

"Any candidate receiving a majority of all the votes cast in a primary should be declared elected, and if this does not happen, the two candidates receiving the largest number of votes irrespective of party, should be voted upon at the general election," Governor Philip F. LaFollette of Wisconsin, declared in his message to the legislature. Wisconsin has the open primary.

To offset the growing tendency to isolate the executive from the legislative branch, the Wisconsin governor also proposes legislation for the calling together of legislative committees when the legislature is not in session, and the appointment of an executive council of not more than twenty members, one-half to be members of the legislature and one-half responsible to the executive, all to serve without pay.

* * *

A cow and two calves are teaching Los Angeles school children that milk wasn't always in bottles. Following the discovery that 25 per cent of the children had never seen a cow and 50 per cent had never seen a calf, the board of education is sending a truck with the three animals to each public school in the city.

* * *

State regulation of public utilities in Iowa, one of the few states which does not exercise such control, is urged by Governor Dan W. Turner in his message to the legislature.

HOWARD P. JONES.

ARLINGTON COUNTY ADOPTS THE MANAGER PLAN

BY HUGH REID

Member Virginia House of Delegates

Arlington County, Va., becomes the first county in the United States to adopt the manager plan by popular vote. :: :: :: :: ::

Arlington County, Virginia, is just across the Potomac River from Washington. Originally a part of historic Fairfax County, it was ceded to the United States as part of the District of Columbia when the national capital was established and became known as Alexandria County. In 1846 the former Virginia territory was retroceded to the Old Dominion, being known first as Alexandria County, and later as Arlington, deriving its name from the historic estate of Robert E. Lee which lies in the heart of the county.

Arlington County has something over 26,000 inhabitants. It is largely a county of homes although it has some business and industry. It contains no incorporated towns except a small part of Falls Church, a suburban town lying principally in Fairfax County. More than half its people have removed there since the outbreak of the World War. Ever since then a steady stream of new citizens has poured across the Potomac attracted by the open country on the southern bank and the natural beauty of the Virginia hills. The basic population, however, remains Virginian.

This influx of new population has brought with it people from every state in the Union, with their varying experiences in local government. The consequent admixture has produced an activity in politics and public affairs notable even in a state where political campaigns are the favorite sport of the masses. Government employees, forbidden by civil service rules to take part in politics, find an outlet for their civic energy in citizens' associations for local improvements and public affairs. Residents of the county boast of a school system which has stood first in the state ratings for some years, in a model health and welfare unit, excellent fire and police protection, an up-to-date high pressure water system, the lowest illiteracy figures and the highest per capita wealth in the state.

BOARD OF SUPERVISORS A STORM CENTER

If we except the board of supervisors, the conduct of the major elective offices has, on the whole, been both efficient and popular. Their incumbents are regularly reëlected. The board of supervisors, however, has always been a storm center. Under its absolute control and exclusive jurisdiction fall all matters in connection with roads, sidewalks, sewers, water, health, sanitation welfare, fire protection, zoning, planning—in fact, almost everything touching the daily life of the voter, except schools.

As early as 1922, demands arose for incorporation as a city but gradually receded. This agitation, while ill directed as to its ultimate remedy, served the useful purpose of educating many citizens to the advantages derived by cities from the city manager plan.

Thus, the success of the city manager plan in Virginia cities is largely responsible for the spread of the idea for the first time to a Virginia county.

In 1926 a general revision of the constitution was initiated through a commission. This revision included an amendment to the effect that the general assembly might by general law prescribe complete forms of government for counties different from those laid down by the constitution, subject, of course, to adoption by referendum. The revision was ratified by the people in June, 1928. Meanwhile a separate amendment had been adopted in November, 1927, giving the county the same powers of special assessment enjoyed by cities. Thus the general assembly was freed from all obstacles which prevented it from setting up a government for Arlington County practically identical with that of its cities but without loss of county identity or incurring the disabilities as to state aid peculiar to cities.

THE CAMPAIGN

The Enabling Act of 1930 was passed by the first general assembly to meet after the constitutional referendum. It provided for a choice of two forms of government, commission or county manager, and permitted a choice between election at large and election by districts. These were condensed into three questions on the ballot. A spirited campaign followed. The Civic Federation (composed of numerous citizens' associations), the Bar Association and the Chamber of Commerce, endorsed the managerial plan and the election of commissioners at large. Public meetings, radio addresses and a carefully prepared pamphlet entitled "Better Government" were the effective means of propaganda.

The most serious opposition arose from the local press and from the existing office holders who felt the new system was aimed at them (as indeed it was, but not in a personal sense). The principal attack was directed at the system of election at large, arguing to the residents of the more sparsely settled areas that the thickly populated sections would dominate the board. The alleged costliness of the plan was also urged, and the abolition of numerous elective offices was branded as undemocratic. The result of the election was surprising to the most optimistic friends of the change, but is to be largely explained by a persistent debate over a period of years as to the proper type of government. During that time, a strong sentiment for managerial government had grown up.

The form of the ballot was as follows:

Question 1. Shall the county change its present form of government?

For .... Against ....

Question 2. In the event of such change, which form of government shall be adopted?

Modified Commission Plan ....
County Manager Plan ....

Question 3. In the event of such change, shall the governing board be elected at large or by districts?

At Large ....
By Districts..........

THE RESULT OF THE VOTE

The varying vote on these several questions showed that the people had decided views and a capacity for discrimination. On question 1, for instance, the advocates of the new form were victorious by two to one. The county manager plan won over the modified commission plan by more than four to one. But on question 3 there was sharper division, and the advocates of election at large won by only three to two. The change was approved in nine out of eleven voting districts and defeated in the other two by very narrow margins.

Under the proposed change (effective January 1, 1932) the magisterial districts for the election of supervisors and certain minor officials are abolished and all levies and expenditures are on a county unit basis. All pre-existing district bond issues are to be county obligations. This consolidates over $2,000,000 of debt for which the districts were primarily liable, but which now becomes the obligation of the entire county.

The county board of five members are to be the only elective officers of the county, with the exception of the elective officers required by the constitution (treasurer, sheriff, commonwealth attorney, etc.) and the county judge. They will have power to abolish any other board, office or commission now existing and delegate and distribute the duties so changed or abolished as they think proper. (This does not include the school board.)

A TRUE MANAGER PLAN

The county board, however, is to have legislative powers only. All the administrative and executive powers of the county are to be vested in the manager. His powers include the appointment of all officers and employees whose appointment or election is not otherwise provided by law, and the purchase of all supplies and equipment. He holds office for one year but must be notified sixty days prior to the expiration of any year if his services are no longer desired. He may be removed for misfeasance, malfeasance, incompetency or neglect of duty. He need not be a resident of either state or county. The tentative budget must be prepared by him and submitted in detail as to items. After its submission in February, the board may alter or amend it prior to April 1. Failing to adopt the tentative budget prior to that date, it becomes effective automatically. After April 1, no change can be made except upon the recommendation of the manager and approval of the board. In no event can a change of more than ten per cent be made in any allocation. An itemized account of all expenditures is required to be made at each regular meeting of the board and an annual itemized statement must be filed with the clerk of the board.

The county manager thus becomes a general manager of the public business in his own right. During the past two years an approach was made to the manager plan by placing a directing engineer in charge of all county departments. He acts, however, as the agent of the board and under their direction. In practice the supervisors are still kings within their districts and the directing engineer is without any authority in his own right. The new law expressly separates the duties of the board and manager. The latter will have full power to "hire and fire" and the powers delegated to him are expressly denied to the board.

ORDER IN COUNTY FINANCES

The chief merit of the new system is the introduction of order in the county finances. Under the present method, the board of supervisors meets annually and lays certain levies, some of which are county wide and others applicable to districts only. There are two such county-wide levies and in some instances four and in others, five district levies. In theory, the county treasurer who collects any particular tax bill, places it in six or seven different pockets depending upon the district and holds the various sums subject to the warrant of the board of supervisors. The latter casually expends the various funds. Since there is no planning in advance, expenditure frequently outruns cash on hand and the usual method of meeting this situation is to make a loan to the insolvent fund from some solvent pocket, to be repaid when further tax collections replenish the borrower's account. Periodically, of course, the situation is reached when funds are low in all accounts, whereupon a frenzied era of retrenchment sets in or else recourse is had to outside borrowings. In order to prevent the latter, it has been necessary for the state legislature to limit sharply the authority of boards to make external loans.

This situation is cured by two methods under the new government: first, by the abolition of the district with its complicated levies and the consolidation of all the multiple tax items in a single levy, county-wide irrespective of districts; and second, the substitution of orderly planning for haphazard expenditure. The latter is achieved by adoption of the executive budget requiring the items to be specified in advance, the budget to be prepared by the county manager. The law requires the amount to be expended for each road, bridge or other purpose to be specifically set forth and that after the adoption of the budget, no allocation can be changed unless upon the recommendation of the manager with the approval of the board, and then, not to the extent of more than ten per cent on any one item.

MINOR COURTS SIMPLIFIED

An important part of the reorganization of the Arlington County government is the simplification of its minor courts. These consist of nine justices of the peace—all elective—a juvenile judge, a domestic relations judge and a trial justice. The three last named offices are appointive by the circuit court and have in practice been filled by one person.

The office of trial justice was created some years ago to make more uniform the trial of misdemeanors. He is in effect a police justice and tries all minor criminal cases, although the justices of the peace still issue criminal warrants and try civil cases. This makes twelve minor judicial offices, a very modest showing indeed in a state where one county has close to thirty, but sufficient to keep a steady stream of appeal cases flowing to the circuit court.

To end this situation, an act was passed at the 1930 session of the legislature abolishing all the dozen justices and substituting one full-time county judge with somewhat increased powers and enlarged jurisdiction. The new judge must be a lawyer, but cannot during the term of his office engage in private practice. The first incumbent will be elected in November, 1931, and the new court will assume its duties simultaneously with the new county board.

SIMILAR ACTION BY OTHER COUNTIES FORECAST

The adoption of the manager plan by Arlington County undoubtedly forecasts similar action by other counties. The counties of Augusta, Fairfax and Albemarle have attempted under the form of the present laws to set up modes of administration approaching the county manager plan. However, no legislative authority exists for the adoption of the Arlington plan as the Enabling Act under which the latter county acted is, although general in form, restricted to counties having a density of population of five hundred inhabitants per square mile. This classification which actually confines the act to a single county has been held to be proper and reasonable by the State Supreme Court of Appeals.

Nevertheless, the government of other counties will undoubtedly be the subject matter of further legislation when the general assembly meets in

1932. At that time, a state commission appointed for the purpose of recommending alternative forms of government for counties will present its report. Simplification is the order of the day and Arlington County's experience with its new system will undoubtedly influence opinion elsewhere. Arlington County's various changes in local administration have been promptly copied by other counties in the past and her latest experiment will attract attention. In the meantime, the display value of an experiment of this kind within four miles of the White House will not be overlooked by those who seek advertisement for a major reform in county government.

ADMINISTRATIVE REORGANIZATION IN MAINE

BY ORREN C. HORMELL
Bowdoin College

Maine promises to be the next addition to the honor roll of states which have simplified and modernized their administrative structure. :: ::

The movement for reorganization along modern efficient lines of the administrative departments of the government of the state of Maine reached a definite and tangible form on January 21 when an act embodying an administrative code was introduced in the Maine senate.

The act was introduced following a message by Governor William Tudor Gardiner, which message undoubtedly will be recognized as one of the clearest and most thorough expositions on the principles involved in state administrative reorganization presented to date by an American state executive.

The proposed code is based mainly upon the recommendations made in the survey prepared by the National Institute of Public Administration, of which Dr. Luther Gulick is director. Last year Governor Gardiner took advantage of the offer of the Spelman Foundation to finance a survey of the state government of Maine. During the summer of 1930 various members of the National Institute of Public Administration spent four months in Maine conducting the investigation. The report of the survey, containing 214 pages, was submitted on October 21, 1930. Immediately an extensive educational campaign was conducted under the general direction of the governor. The newspapers throughout the state printed extensive excerpts from the report, copies were widely distributed, and a very large committee was appointed by the governor to make a detailed study of the report, after which all interested citizens were invited to attend public hearings. Such hearings were held in five of the more important centers throughout the state. These were attended by an unexpectedly large number of persons.

The final public meeting was held at Augusta on December 4, at which were gathered representatives from all parts of the state. At this meeting the governor appointed a small, so-called "executive committee" of 17 to make a more thorough study of the survey and assist in the preparation of an administrative code to be submitted to the legislature.

On this executive committee were representatives from every section of the state, from all of the major interests, and from both political parties. The purpose of the committee was to translate the general principles recommended in the survey into practical legislation especially applicable to the situation in Maine. The recommendations of the governor and committee were presented to A. E. Buck, of the staff of the Institute, to whom was intrusted the task of drafting the code along the lines agreed upon. The committee met with Mr. Buck and discussed the proposed code, item by item. The act as introduced embodies all of the suggestions of the committee.

WHAT THE CODE DOES

The outstanding features of the code are:

First—The abolition of some 38 boards, commissions and offices, and the consolidation of the administrative agencies into thirteen administrative departments. Each is headed by a single executive with the exception of the department of public utilities and the department of highways, which are to be continued under commissions as at present.

Second—The introduction for the first time in the administration of the state of Maine of a personnel officer, who is attached to the executive department. This will lift the appointment, promotion and retirement of subordinate administrative officers and employees from the spoils system. Provision is made for efficiency records, service ratings, standardization of salaries, and transfer of employees from one department to another.

Third—The thorough revision and consolidation of the financial agencies of the state is provided for. The department of finance is to be organized into three bureaus, viz., the bureau of accounts and control, the bureau of purchase, and the bureau of taxation. A modern budget system is set up, with the understanding, however, that the budget provisions shall be later incorporated into a constitutional amendment.

The code also provides for a department of audit, which provision recognizes the clear distinction between the function of an auditor and that of accountants. The work of the accountants is to be carried on in the department of finance, while the work of the auditor is to be limited solely to the functions of auditing. It is the function of the auditor to perform a post-audit of all the accounts and financial records of the state government, to install accounting systems and perform audits for cities, towns and villages, and to serve as a staff agency to the legislature in making investigations of any phases of the state's finances. In order that the auditor shall be an effective check upon the administrative departments it is provided in the code that he shall be elected by the legislature.

Fourth—Probably the most important reform is found in the reorganization of the health and welfare agencies. The eighteen different agencies now spending some 27 per cent of the legislative appropriations are brought together in one department designated as the department of health and welfare. Under the commissioner of health and welfare there is to be organized three bureaus:

(a) The bureau of health
(b) The bureau of social welfare
(c) The bureau of institutional service

Each of these bureaus is to be under the direction of an expert, experienced and trained in his special field.

PUBLIC SENTIMENT AGAINST FOUR-YEAR TERM

It is interesting to note that the public sentiment in the state was predominantly in favor of limiting the term of the governor to two years, rather than the four-year term recommended in the survey, and also in favor of the retention of the governor's council, with its present powers of advice and confirmation. At the same time, however, a provision is made for a cabinet consisting of the heads of the administrative departments, who are to act as an advisory staff to the governor. The cabinet is to meet quarterly, or oftener at the option of the governor, mainly for the purpose of furthering coöperation among, and coördination of, the several departments, and for the quarterly allotment of the budgetary appropriations of each department.

The code is now in the hands of a special joint committee of the two houses of the legislature. There seems to be general agreement throughout the state with Governor Gardiner's statement that "if the essential features of this code are adopted the governor can justly be held responsible for his administration. He can be rightly blamed for extravagances, and praised for economies."

THE CITY MANAGER IN KENTUCKY

BY ROY H. OWSLEY
University of Kentucky

After three years' effort to secure legal power to adopt the city manager plan, the voters of Lexington, Covington and Newport, Kentucky, have ordered its introduction in their cities. :: :: :: :: ::

THE movement for city manager government in Kentucky may be said to have definitely begun about three years ago, when the chambers of commerce in the second and third class cities of the state, led by the Lexington Board of Commerce, entered into a concerted movement for adoption of the newer form of city government. Their initial efforts were crystallized in two bills, providing for optional adoption of council-manager government by second and third class cities, respectively, which were introduced in the general assembly of 1928.

Chapter 84, Acts of 1928, provided that any city of the third class might submit to its voters the question whether they wish to be governed under the council-manager form of city government, and that if the choice of the voters favored the manager form, the commissioners and the mayor would then select a city manager who was to hold his position at the will of the board.[1]

The act made possible a true city manager government by specifically designating the city manager the administrative head of the city, his judgment being unfettered, by making his executive and administrative qualifications the sole basis for his selection, and by stating that the "office shall not be limited to inhabitants of the city or state."

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[1] Chapter 79, Acts of 1928, was a similar law providing for city manager government in the second class cities of the state, but it is necessary to take only incidental notice of this second law, the subsequent court decision dealing only with Chapter 84, Acts of 1928.

THE FIRST CITY MANAGER CAMPAIGN

Under the Kentucky constitution the legislation became legally effective in the early summer of 1928, but advocates of the plan in three cities of the state already had begun preparing to submit the question to the voters in the regular fall election of that year. These cities were Covington, Lexington and Owensboro.

The most systematic campaign was the one in Lexington, but on November 6, 1928, the manager plan was adopted in all three cities. In Lexington, the effects of the carefully waged campaign became apparent when the final count showed the result of 10,500 votes in favor of the plan and 4,241 against it. In Covington, which is located just across the Ohio River from Cincinnati, the successful experience of the latter city evidently had considerable influence, for the plan was voted in by more than 3 to 1. In Owensboro the plan won by a slender majority. In this city there had been a minimum of campaigning for the plan, and the result seems to have been a surprise to the proponents, as well as to the general public.

CONSTITUTIONALITY OF THE LAW

But opposition to the city manager plan was not to be allayed so easily. Soon after the law was passed, a movement was organized to have the statute declared unconstitutional, and the result of the referendum on the plan in the November election of 1928 brought the matter to a head. Late in 1928, suit was filed in the Daviess circuit court, contending that the city manager law violated four different sections of the state constitution.

On May 31, 1929, the Kentucky Court of Appeals handed down a decision [1] upholding the opinion of the Daviess circuit court holding the act unconstitutional.

The contentions as to the unconstitutionality of the statute may be generally divided into two categories, the first based upon sections 23, 107, and 160 of the Kentucky constitution, and the second finding its origin in section 51.[2]

Obviously, the contentions of the first group more vitally affected the future of the city manager in Kentucky, since they centered upon the council-manager plan of government itself, while the second main contention was of secondary importance in that, if it should be affirmed by the court, it would serve only temporarily to prevent adoption of council-manager government by Kentucky cities of the third class.

THE DECISION ITSELF

After nullifying all contentions of the first category, that is to say, after construing liberally all points relative to the council-manager plan of government, the court voided the statute in question upon the technicality that it violated the constitutional provision that no law shall contain more than one subject which shall be expressed in the title, for, as Judge Dietzman stated, the reading of the title plainly indicated that the act dealt with both the city manager and commission forms of government.

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[1] *City of Owensboro* v. *Hazel*, 229 Ky. 752, 17 S. W. 2nd 1031.

[2] Briefly stated, the contents of each of these sections are as follows:

Section 23—provides that no office shall be created to which a person can be appointed for other than a definite term.

Section 107—provides that terms of elected or appointed ministerial or executive offices shall not exceed four years.

Section 160—states that the executive must be elected and that "no mayor or chief executive or fiscal officer of any city of the first or second class" shall succeed himself in office.

Section 51—provides that any law enacted by the general assembly should cover only one subject which must be expressed in its title.

While the decision in *City of Owensboro* v. *Hazel* affected only cities of the third class, it was generally understood that since this was practically identical with the companion act affecting cities of the second class, the latter was likewise unconstitutional. Thus, the cities directly affected by the decision were Owensboro, of the third class, and Covington and Lexington, of the second class, which cities had voted for adoption of the council-manager form of government in the fall election of 1928.

THE SECOND CITY MANAGER LAW

There is little doubt that the decision of the Kentucky Court of Appeals of May 31, 1929, retarded council-manager government in Kentucky for a period of at least two years, but, if the truth were known, the result probably has proved beneficial to the cause of the city manager.[1] Advocates of the plan, particularly in Lexington, acting under the liberal construction of the court and realizing that city manager government in Kentucky depended only upon getting a bill through the legislature which would be free of the defects of the 1928 legislation, began immediately to formulate plans for the next session of the general assembly, which was scheduled to convene early in 1930. Their goal was reached when the 1930 legislature passed by a goodly majority Senate Bill No. 12, introduced by Senator J. J. McBrayer of Lexington as a substitute for a similar bill earlier introduced in the House of Representatives by John Y. Brown, also of Lexington. Having been approved by the governor on February 12, the act became law in regular fashion on June 18, 1930, ninety days after the legislature had adjourned.

With the exception of section 34, which provides the machinery for abandonment of the plan, and various other sections which are not concerned directly with city manager government, the substance of the 1930 act is almost entirely identical with the bill passed by the 1928 legislature, but the more recent legislation is apparently free from some of the technical weakness of the earlier law.

ELECTION OF 1930

The climax to the three-year campaign was furnished on Tuesday, November 4, 1930, when the three Kentucky cities of Covington, Lexington and Newport voted to adopt the city manager form of government, the referendum being conducted under authority of the 1930 enabling act.

In Covington the vote was 9,192 in favor of the plan, with 5,951 opposed. It is significant that the problem in this city was really that of legalizing the now existing city manager form which went into operation on January 1, 1930, after the city commissioners had agreed to "pool" their salaries in order to provide for a city manager. Lexington adopted the plan in this second campaign by a vote of 5,184 to 2,496. In Newport, however, the final count resulted in the slight margin of two votes favoring the plan, the total vote being 4,095 for the city manager, with 4,093 opposed.

LOOKING AHEAD

City manager government for the second class cities of Kentucky is now assured. Opponents of the plan seem to have accepted the opinion in *City of Owensboro* v. *Hazel* as conclusive evidence of the fact that city manager government is not repugnant to the Kentucky constitution. There has been no indication of any intention to test the constitutionality of the present city manager law. The city manager now has a clear title in the laws of Kentucky. The plan has been adopted by popular referendum in the cities of Covington, Lexington and Newport. The only problem remaining is for the friends of city manager government to exercise good judgment in the selection of managers for these cities, so that the advantages of the plan may be illustrated to the other cities of the state.

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[1] See the writer's remarks in November 1930 issue of NATIONAL MUNICIPAL REVIEW, page 793.

TAX REFORM IN TENNESSEE

BY FRANK W. PRESCOTT

University of Chattanooga; Executive Secretary, State Tax Committee

The new tax system proposed by Tennessee Tax Committee includes personal and corporation income taxes and abolition of vexatious license taxes. Changes in county government are recommended.

THE débacle in several of Tennessee's largest banking institutions involving millions in public funds, the repercussions of a bitter gubernatorial campaign still lingering in the public mind, coupled with desperate attempts of factional leaders to organize the legislature which convened in January, have aroused popular interest in public finance to a higher degree perhaps than at any time in the last quarter century.

Under such conditions, the exhaustive report of the State Tax Committee, attracted state-wide attention. The report was made public by George Fort Milton, president and editor of the *Chattanooga News*, and chairman of the committee. The committee's technical staff was recruited from the Universities of Tennessee and Chattanooga, and the state tax commission of Wisconsin.

TAXES INCREASING FASTER THAN INCOME

The report embodies factual studies in costs of state and local government, and the tax incidence in Tennessee, together with twenty-five specific recommendations looking toward a thoroughgoing reorganization of the present tax structure, the reform of local government, and various means for safeguarding against excessive local spending. The statistical background thus assembled is the first complete collection of fiscal data ever compiled in this state.

The incidence studies revealed: (1) That Tennessee has made marked industrial progress during the past decade. (2) That while state income has increased only 12.2 per cent since 1924, as compared with 28.7 per cent for the whole United States, Tennessee's rate of increase was exceeded by only three southern neighbors,[1] Mississippi, Virginia, and Florida. Yet the people have contributed a greater portion of income for taxes since 1926, than before that date. (3) That Tennessee's ratio of taxes to income was

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[1] Brookmire Service, *Sales and Credit Data Sheet*, Vol. 19, G. I.

7.6 per cent in 1927. It was prophesied that the rate would reach 8.5 per cent in 1930, which is not radically out of line with nearby states. (4) That the ratios of state and local taxes to net income of all corporations,[1] averaged for 1922–1927, was 21.32 per cent, which gave Tennessee third place in seven southern commonwealths. Corporations engaged in finance, trade, and public service apparently have been more lightly taxed here than in some other states. For the manufacturing group in Tennessee the ratio was 11.65 per cent taxes to income as compared with an average of 14.83 per cent for seven southern states. If the present study may be accepted as proof, manufacturing industries are not being prevented from entering, or being forced to withdraw because of the tax burdens. (5) That the repeal of the state ad valorem tax on realty, to take effect in 1932, ostensibly intended to relieve the farmers, actually stands to relieve urban property, and especially public service corporations, of two-thirds of the total of $3,500,000 in state taxes received from this source.

The rising tide of governmental costs in Tennessee, while not unique, was stressed in the report. It was shown that expenditures for state government did not assume very large proportions until about 1925, when the total reached $22,000,000. Since then, owing to an overstimulated highway program with expanded educational and institutional budgets, disbursements have increased with lightning-like rapidity. The total in 1930 for state purposes was $63,979,000 ($24.89 per capita), an increase of 51 per cent over 1925. Local units have paralleled the state, their costs rising from $8.97 per capita in 1913 to $29.33 in 1929. Combined state and local costs in Tennessee in 1929 were $122,482,835, or $46.93 for every inhabitant. Public indebtedness has outstripped the growth in taxation in the decade ended in 1930. In 1922 combined state and local net debts were $133,337,000 or $56.27 per capita; in 1930 the total was $282,679,000 or $108.22 per head.

NEW TAX SOURCES

In the probe for more state revenues, and in exploring methods of equalizing the tax burden, studies were made of franchise taxes of railroads and other utilities, of a possible shift in the base of some state taxes from property to income, severance imposts, and greater exploitation of such portions of the existing system that seemed to be worth salvaging. The survey further showed the usual faults in general property taxation, the gross under-assessment of personalty, now partially offset by recent enactment of taxes on income from securities; the vast array of privilege and license imposts, state and local, which are especially burdensome upon mercantile groups, because of their haphazard design, their inefficient and inequitable administration; and the archaic and unwieldly administrative procedures in the collection, custody, and disbursement of public funds.

NEW LEGISLATION PROPOSED

Specific recommendations for changes in the state and local fiscal systems, now embodied in bills introduced in the legislature are as follows:

The most significant changes in taxation are the proposals for a state income tax on persons and corporations, and a franchise tax on the gross operating revenues of steam railroads and other utilities. In the latter case, the yield should be at least equal to the amounts heretofore paid in property taxes to the state but repealed by recent enactment. Abolition of the vexatious state privilege and license taxes upon merchants is projected, except that license taxes may be retained for local regulatory purposes under the police power.

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[1] Data from U. S. Bureau of Internal Revenue.

From the viewpoint of administration, the establishment of a real state tax commission, with the usual administrative and quasi-judicial functions, is an important recommendation. The measure vests in the commission authority to enforce present statutes concerning annual audits of state and county offices; and to pass judgment upon local tax rates appealed by taxpayers for review, and to approve or to reduce such tax rates, and to modify budgets.

In view of endemic embezzlements in county revenue offices in this state, illegal deposits of public money and other irregularities in fiscal administration, the committee urges enactment of statutes changing the system of public deposits to prevent illicit manipulations of public funds by officials or banking agents. Provision is to be made for repeal of present statutes which allow restitution of embezzled moneys by public officers to bar prosecution for the offense, and the substitution of a law providing that withdrawal of money from public treasuries for personal use will be prima facie evidence of guilt of embezzlement.

COUNTY GOVERNMENT

While some of the out-worn provisions of the state constitution stand squarely in the path of thorough renovation of our system of county government, the proposals now urged comprise a number of approved practices. Briefly, these are: Uniformity in state and local fiscal calendars; the concentration of collecting and disbursement agencies of counties in the office of the trustee (treasurer); establishment of county budget commissions, which would be held responsible for budget-making and recommending tax rates, with the stipulation that county courts (*i.e.* boards) cannot increase budget recommendations; publicity thirty days in advance for contemplated increases in taxes by any local government; reasonable uniformity of accounting practices in counties, as prescribed by the state; centralized purchasing agencies for counties; general legislation looking toward voluntary county consolidations, with the ultimate hope of reducing the present ninety-five counties to not more than sixty; mandatory referenda for all local bond issues, with stated percentages of requisite number of votes, to prevent voting of such issues by minorities; requirement of serial bonds for all future local funded debts, and actuarial inquiries into existing sinking funds to determine their sufficiency; and finally, the establishment, as an adjunct to the proposed state tax commission, of an advisory commission on county governments to act as "guide, philosopher, and friend" to the frequently puzzled local officials.

The strategy of tax reform as outlined in a recent issue of this REVIEW,[1] finds a counterpart here in the organization of a State Taxpayers' Association in December, 1930. This new group comprises a number of men who have been on the firing line of tax reform in Tennessee for more than a decade. Despite the present lamentable political muddle, signs are not wanting that the labors of the State Tax Committee for a modern system of taxation will not have proved in vain.

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[1] Vol. XIX (1930), pp. 766–770.

THE MUNICIPAL SCIENCE INSTITUTE OF THE UNIVERSITY OF BERLIN

BY PROFESSOR DR. WALTER NORDEN

Director of the Institute

Translated by Roger H. Wells, Bryn Mawr College

The Municipal Science Institute is a training, research and consulting agency, supported, for the most part, by the state. :: :: ::

The advancement of science in Germany is predominantly a function of the state. Hence almost all scientific agencies have been founded and are supported by the state, and there are relatively few private research organizations. In the main, private enterprise is limited to subsidizing public agencies or to providing them with office facilities.

During the post-war period, the state, owing to its unfavorable financial situation, was often no longer in a position to supply the means for the maintenance or extension of the existing institutes. The need of creating new institutes involved real pecuniary difficulties. At this point, fortunately, various organizations interested in scientific investigations decided to grant subventions to the state agencies, thus making it possible for numerous institutes to be founded which the state alone would not have been able to establish.

Among these is the Municipal Science Institute of the University of Berlin (*Kommunalwissenschaftliches Institut an der Universität Berlin*) which is the first and the only one of its kind in Germany. The Institute was launched by the state in 1928 after a successful effort had been made to secure financial aid from the various unions of local government authorities representing the Prussian provinces and counties, and the German cities and towns. The city of Berlin has at all times especially concerned itself with the fostering of science and, in the beginning, it contributed the major part of the support for the Institute.

Although it has become customary in the post-war period for scientific agencies to receive financial aid from interested private organizations, nevertheless it is desirable that the entire cost of these institutes should again be gradually taken over by the state. Otherwise, financial dependence upon private resources may give rise to charges of partiality and bias. But if the Institute is to fulfill its purpose, it must be in a position to take a strictly scientific attitude on questions of municipal politics. I have therefore successfully endeavored to have the subsidies from the unions of local government authorities supplemented by a larger grant from the state.

THE INSTITUTE'S OBJECTIVE

The most important function of the Municipal Science Institute is to carry on objective training and research work and thereby to serve equally the state, the local authorities, and private industry. This objective has been recognized on all sides in a gratifying manner so that the Institute has the friendly coöperation of the federal and state officials, the unions of local authorities, the municipalities themselves, and the great economic associations.

To understand the work of the Institute, reference must be made to the associations of German local government authorities which were formed before the World War in order to protect local interests against the state and against each other. The large and medium cities are united in the *Deutscher Städtetag* (German Union of Cities) while the smaller cities are banded together in the *Reichsstädtebund* (Federal League of Cities). The other local authorities are represented by such associations as the *Verband der preussischen Landgemeinden* (Union of Prussian Towns), the *Preussischer Landgemeindetag West* (Association of the Towns of West Prussia), the *Deutscher Landkreistag* (German Union of Counties), and the *Verband der preussischen Provinzen* (Union of Prussian Provinces). The local authorities in the other German states (*e.g.*, Bavaria, Saxony, Württemberg, Baden, etc.) are likewise organized in state associations which in turn are connected with the national associations such as the *Deutscher Städtetag*. These unions each maintain an extensive central office and staff, and publish their own journals. They are financed by yearly contributions from the counties, cities, or towns which are members of the union.

MUNICIPAL ASSOCIATIONS EXERCISE BROAD INFLUENCE

The associations of local authorities possess an economic, social, and political influence that is not to be undervalued; they are consulted and give advice on proposed state and federal legislation relating to local affairs. They are represented through specified representatives in the governing organs of the *Reich* and state, such as the *Reichstag*, *Reichswirtschaftsrat* (National Economic Council), Prussian *Landtag*, and Prussian *Staatsrat* (Council of State). The unions have performed services for their members which in other countries are undertaken by scientific institutes. This explains the fact that there was no Municipal Science Institute until recently; it also explains why, in comparison with American conditions, the Institute doubtless occupies a peculiar position.

The Institute grew out of a private library which I made available and which contained scientific works and practical materials on administration. After the Institute was taken over by the state, spacious quarters were provided for it in a private building rented by the university in the center of Berlin. I was appointed director and retained as my assistant, Dr. Kurt Jeserich, B.Econ. Dr. Jeserich had formerly assisted me and now became chief of one of the divisions of the Institute. The Institute was also provided with the necessary technical and office personnel.

THE LIBRARY

Special emphasis is laid upon the building up of the Institute's municipal library which in its organization and contents is unique in Germany. The library consists of a collection of the most important scientific literature on all branches of municipal and administrative science, together with official documents and publications of numerous local authorities. The Institute regularly receives all the technical journals (about two hundred), technical newspapers, and also political newspapers which are systematically catalogued according to the various branches of municipal government and administration.

The catalogue is an important instrument for the municipal researcher, enabling him, within a very short time, to become informed concerning the entire body of scientific literature and practical materials existing in Germany.

The procuring of foreign literature is also important. For several years, I have personally maintained close connections with the United States and have been able, through exchange, to secure important scientific works and official documents. The Institute has the principal American city charters; detailed material on municipally-owned and operated enterprises; official reports and publications of particular cities; and the leading American periodicals and newspapers, above all, the NATIONAL MUNICIPAL REVIEW which is regularly read with interest by the students and others who work in the Institute.

Furthermore, the Institute is in possession of literature from the following countries: England, France, Italy, Holland, Switzerland, Denmark, Sweden, Norway, Russia, Poland, Hungary, and Austria. It has a direct exchange of information and literature with foreign state officials and unions of local authorities.

TRAINING OFFICIALS

The activities of the Institute may be grouped under three heads—training, research, and the advancement of the ideal of self-government.

(a) It is the purpose of the Institute to provide the future municipal officials with appropriate technical training. This is only for the so-called "higher" officials, *i.e.*, those with university training; it is not for the "middle" officials. In Germany, the training of officials of the middle ranks is through special courses (*Beamtenschulen*) which the individual municipalities provide and which candidates for office are required to attend. Since the World War, academies of administration have also been created as continuation schools for the middle officials. In these academies, officials of the middle ranks may prepare for a further technical examination which gives them the possibility in exceptional cases of being promoted to the higher administrative service.

The customary training of the higher administrative officials, who in the majority of cases have studied law, belongs to the university. Recently an increasing number of persons trained in economics have been employed in the leading positions of municipal administration. Students often enter the Municipal Science Institute at the beginning of their university course of study. In the Institute, they are made familiar with the most important legislation, sphere of activities, public enterprises, and finances of municipalities. The training is carried on through a cycle of lectures and exercises and is supplemented by numerous field trips by which the students are brought into contact with actual municipal problems. The general university training together with this technical preparation leads in most instances to the degree of J.D., or Dr. *rerum politicarum* with a municipal science subject for the dissertation.

After the final examination, the graduates of the Municipal Science Institute are next employed as probationers (*Informatriker*) in municipal administration and, according to their service and ability, they are able to advance to the leading positions. The local authorities support this technical training above described because they naturally have an interest in securing recruits who are as well prepared as possible.

RESEARCH

(b) Along with the training work, the main emphasis of the Institute is laid upon research. Here there is very close coöperation with the federal and state officials, the local authorities, the unions of local authorities, and the associations of economic organizations. The Institute may be called upon for advice; it conducts investigations which require special study and which, because of the lack of time or material, cannot be undertaken with sufficient thoroughness by those actually engaged in municipal administration. The Institute supplies materials for the drafting of bills or attempts to secure the necessary domestic and foreign literature. In particular cases involving practical problems, the Institute is directly called upon, so far as the solution of these problems is not undertaken by the unions of local authorities themselves. The larger research projects of the Institute are published in the Municipal Science Series (*Kommunalwissenschaftliche Schriftenreihe*), of which I am editor.

Special attention is given to foreign municipal conditions. As opportunity affords in a semester, a few students are sent abroad to carry on their studies. Up to now, England has been the chief place of interest for such students. The United States, which offers so many suggestions to us Germans who are interested in municipal government, is also a subject of study, but this study is entirely based upon the materials available in the Institute. It is worth considering if an exchange of the older students between the United States and Germany cannot be arranged and carried on by the municipal science institutes of the two countries. Great advantages for municipal research in both nations would thereby surely accrue.

THE SELF-GOVERNMENT IDEAL

(c) Finally, the Municipal Science Institute endeavors to serve the ideal of self-government. This ideal involves the right of local authorities to carry on their own functions independently. In the changed political circumstances and under the pressure of financial necessity, the post-war period in Germany has brought a strong centralization of administration, *i.e.*, a transfer of the functions of local authorities to the state. To the friends of self-government, this development seems hazardous, the more so since the self-government principle has heretofore proved the best, and since it is responsible for the remarkable development of German cities and German economic life.

Self-government is on the defensive against the measures of the state which have been so clearly reflected in the legislation of the past decade. By means of general lectures to which all who are interested in public affairs are invited, the Institute endeavors to maintain and deepen the ideal of municipal self-government. The speakers in this lecture series are outstanding municipal leaders of Germany and of other countries. In the present semester, it is intended to have a distinguished representative from the United States speak so that the close connection between German municipal conditions and American problems may be recognized.

It is hoped that this short summary has shown the significance of the work of the Municipal Science Institute of the University of Berlin for the state, for private industry, and, above all, for the local authorities. The Institute, which has existed only a short while, will make use of the experiences which similar institutes abroad and particularly in America have acquired. It would be a source of gratification to me if these lines should serve further to advance and strengthen scientific coöperation between the United States and Germany.

SUBSTITUTING PRECISION FOR GUESSWORK IN PERSONNEL EFFICIENCY RECORDS

THE PROBST RATING SYSTEM

BY J. B. PROBST

Chief Examiner, St. Paul Civil Service Bureau

"... *To see oursel's as ithers see us.*"

SOME forty odd years ago in a city of the Middle West several boys, during the summer vacation, found employment in a pretzel bakery, housed in the rear part of a dwelling. Our duties consisted of transforming dull, prosaic lumps of dough into tempting, shapely pretzels (and they were good pretzels, too!). On Saturday evening each boy, upon signal, would trudge anxiously up the stairs to the master's living room directly over the bakery. There upon a grimy desk would lie several little piles of silver, each pile representing the week's stipend for one of us. How well I remember the sentence that awaited me one Saturday evening as I entered: "Johnny, you didn't work so good this week, so I give you only $1.15. Next week, if you work better, you can have your $1.25." It took us some time to discover that our master's "service rating" was based on personal observation made through a knot-hole in the wooden ceiling of the bakery—and all that summer our meager wages fluctuated relentlessly with the changing influence of that bird's-eye view.

It is a far cry from the knot-hole method of appraisal in that little bakery to the service rating systems of today; still, I often wonder whether our rating systems of the past fifteen or twenty years are very much better than the out-and-out judgment rating of that plain, simple master of the bakery. Our schemes are of necessity more elaborate because our business organizations are tremendously more complex, but the results are not vastly different. We have higher sounding names for the things we do today—we have production records, "graphic" scales, measure of output, motion studies, and so forth. But when stripped of their verbiage, there remains something strangely familiar. Was not our old "piece work" system about the same as our present-day "measure of output"? Isn't "measure of output" merely the old "piece work" system with a university education?

NOT "TO RATE OR NOT TO RATE" BUT "HOW TO RATE?"

But so long as there are employers and employees there will be a constant urge to appraise the employee's service value. This urge will not down; it cannot be brushed aside. To rate or not to rate is no longer the question. The vital thing is *how to rate*—how to rate accurately, easily, without prejudice, and without arousing antagonism. The present-day employee seems to know instinctively whether our plan for measuring him is a fair one.

It is a matter of common knowledge that practically all our plans of service rating have failed in actual practice. Starting from scratch about five years ago, with the germ of a new idea, a type of rating system has been constructed which not only measures accurately the relative value of a group of employees, but which, above all, emphasizes the importance of individual and collective contentment, happiness, loyalty, coöperativeness, and general morale among the working forces. There is room for debate as to whether we have not gone a bit far in our attempt to mechanize human life—to convert an employee into a sort of living robot.

The new system attempts to dispel from the worker's mind the all-pervading idea that it is just another speeding-up process to foster continually mounting production at the expense of individual peace of mind. It aims rather to infuse into the mind of the employer the thought that employees, stimulated by a natural and impersonal rating process, will unconsciously respond by improving not only the quantity of their output but likewise the quality. The employee is not satisfied merely to know that some central office maintains a detailed and statistically overworked record of his output or of his efficiency. He wants to know for himself, in plain everyday language, in what respects he is failing and what his good points are—in short, he wants to see himself as others see him. This, briefly, is the essence of the new plan, the basis of which has been called the Probst Service Report.

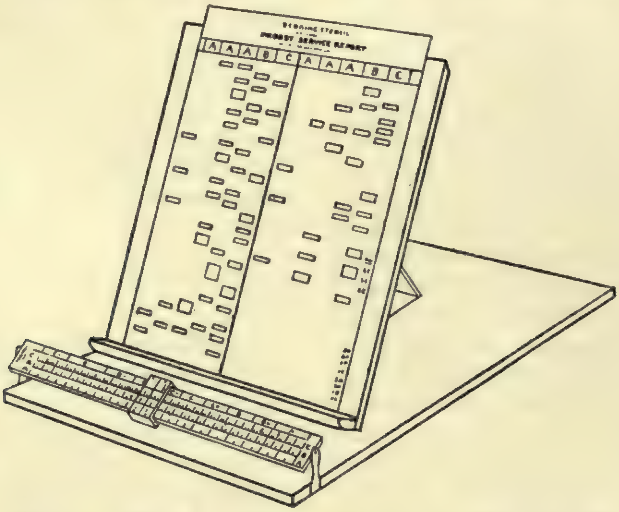

Figure 1.—Scoring and Rating Device for Use with the Probst Service Report

PROBST SERVICE REPORT

The Probst Service Report consists of an 8½ x 11 sheet, containing about one hundred descriptive items of character traits, habits, work qualities, and personality. These items are chiefly of outstanding traits—not average—and they have been carefully selected through scientific research and a process of individual experimental testing and elimination. Columns are provided in which supervisory officers, usually three, check those items that particularly describe the employee. The number of items checked is optional with the reporting officer, except that he must check only those traits that he knows are characteristic of the employee. The reports so checked for a group of employees are then evaluated by means of a scoring device as shown in Figure 1.

The unusual accuracy secured with this system is due largely to a formula which translates the raw scores—secured by means of triple scoring stencils—into proper letter ratings. The scoring device is simple, easy, and rapid in operation, and makes the stencil scoring and the formula calculations a mechanical process. The final ratings for the employees are expressed in letters ranging from A+ down to E−, in eleven steps.

SALIENT FEATURES

Some of the salient features in the plan have been enumerated as follows:

(1) The items in the report are expressed in everyday language.
(2) The plan is simple and easy to use, and meets with the general approval of department heads.
(3) It is easily understood by the employees, and at once appeals to them because of its fairness and its freedom from any secretiveness.
(4) It relieves the operating head of the distasteful task of determining the actual rank or rating that his employees should be given, as the formula rating device does this for him.
(5) It serves as a barometer for the employee, showing by his successive ratings in what direction he is moving, and why.

After the plan had done local trial service for about two years, it was tested on a large scale through a series of nation-wide experiments carried on for two years with the aid of financial assistance from the Spelman Fund of New York and under the sponsorship of the Bureau of Public Personnel Administration. The system was to go under fire and definitely prove its value statistically, as well as in a common-sense, practical manner.

SYSTEM WITHSTANDS NUMEROUS TESTS

These experimental tests embraced approximately 12,000 workers—including clerks, physicians, engineers, teachers, inspectors, skilled and unskilled laborers, policemen, fire fighters, machine operatives, social service workers, and many others. The reports came from various cities, from coast to coast, from Canada, from the public service, and from private industry. Of the many ratings and tests made, the following might be mentioned:

519 ratings for the Los Angeles Water and Power Department in 1929; and a further set of 3,039 ratings for the same department and city in 1930.
2,886 ratings for the city of Cincinnati.
499 ratings for Duluth, Minnesota, in 1929, and a further set of 668 ratings for the same city in 1930.
413 ratings for the Lincoln Park Commission of Chicago.

The high degree of reliability and validity, the unusual consistency in normal mean and median ratings, and the satisfactory frequency distribution are all matters of record.[1]

As an illustration of typical results there is reproduced in the table below the ratings for a group of social service workers. The ratings in Column 3 represent the best obtainable independent estimates of the service value as judged by a number of supervisors in conference. Column 2 shows the ratings determined from the checked reports by means of the scoring-rating device.[1]

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[1] A detailed explanation of the system—its construction, operation, results, reliability, validity, etc.—is given in the book on "Service Ratings," published jointly by the Civil Service Assembly of the United States and Canada and the Bureau of Public Personnel Administration, 923 East 60th St., Chicago.

Column 1 Employee identification	*Column 2* Probst rating	*Column 3* Supervisors' Conference rating
1	A	A
2	B	B
3	B	C+
4	B	B
5	C+	C+
6	C+	B
7	C+	C+
8	C+	B
9	C+	C+
10	C+	C+
11	C+	C+
12	C	C+
13	C	C+
14	C	C+
15	C	C
16	C	C+
17	C	C+
18	C	C
19	C	C+
20	C—	C+
21	C—	C+
22	C—	C
23	C—	C
24	C—	C
25	D	D
26	D	C
27	D	D
28	E	E
29	E	E
30	E	E

A few of the comments by those who made an analysis of the results in the city where this experiment was conducted read as follows:

> The reports were taken from many different superiors in many different organizations. . . . Speaking generally, supervising case workers come in close contact with their subordinates and may be counted upon to rate these subordinates more accurately than an average group of superiors. We considered it a fair test of the worth of the reports to re-submit the ranking which they gave to a conference of the supervisors. . . . Of the thirty people studied in this experiment, the final estimate of the superiors differed by as much as a full letter from the Probst ranking in only two cases. . . . As the criterion of efficiency we decided to accept the Probst Reports without qualification. Any attempt to modify their estimate even by a plus or minus led us into a realm of guessing where we could not analyze, judge or check.

ACCURATE RESULTS

In another city the local authorities made their estimates in terms of actual rankings, and produced the following (for twenty public school teachers):

Employee identification	Probst ranking (According to numerical scores)	Ratings based on the average judgment of three supervisors
A	1	2
B	2	4
C	3	1
D	4	3
E	5	5
F	6	7
G	7	9
H	8	6
I	9	10
J	10	8
K	11	11
L	12	14
M	13	12
N	14	16
O	15	17
P	16	13
Q	17	15
R	18	18
S	19	19
T	20	20

The following table ranks thirteen junior account clerks. Here a comparison can be made between the Probst ranking and both the average and the individual rankings by the three supervisors.

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[1] Correlation between Columns 2 and 3 = +.922 ±.018 with $S.D._2 = 1.82$ and $S.D._3 = 1.82$.

Thirteen Junior Account Clerks

Employee	Judgment ranking by supervisors				Probst ranking
	A	B	C	Average of A-B-C	
JAC-1	1	1	1	1	1
JAC-2	3	3	2	2	2
JAC-3	2	2	12	4	3
JAC-4	6	4	3	3	4
JAC-5	5	13	4	8	5
JAC-6	7	9	13	11	6
JAC-7	4	5	11	5	7
JAC-8	9	10	9	10	8
JAC-9	11	8	8	9	9
JAC-10	8	7	6	6½	10
JAC-11	13	11	10	13	11
JAC-12	12	12	7	12	12
JAC-13	10	6	5	6½	13

Similar results might be quoted through many pages. In these experiments the most accurate criterion available for comparison consisted of the averaged judgments of supervisors. It will be noticed that when there is a pronounced difference between the Probst ranking and the average judgment ranking it is generally because of serious disagreement among the individual rankings by the supervisors, as, for instance, in the case of employees JAC-5 and JAC-6. It can be easily imagined that supervisors B and C could have a merry debate as to the relative service value of employee JAC-5.

WHY THE SYSTEM WORKS

The unusually accurate results produced with this system are due primarily to the fact that (1) the service report sheet gives a clear-cut trait picture of each employee, and (2) the formula for evaluating this picture is so constructed that the employee consistently falls into his proper group rating. The following incident, quoted from *Service Ratings*, illustrates how accurate a trait picture is really obtained with this report:

> How accurate a trait picture do we get of the employee with the new service report? This question was most effectively answered by H. H. Cox, chief of the Division of Power House and Station Operators in the Los Angeles Water and Power Department, who told of an experience he had with the new plan. Two of his supervisors brought to him one morning twenty report sheets for him to check. The two supervisors had checked the sheets in Columns 1 and 2. The sheets were placed before him face down, and as he glanced at the items already checked on the top sheet he remarked to his men that "this sheet must be of Mr. So and So." Turning the report over, this proved to be correct. His curiosity aroused, he then tried to identify the remaining men by merely looking over the items checked on the reverse side of each report. His count showed that he correctly identified sixteen of the twenty men in this manner. If a word picture of a man's work habits and personality can be so accurately portrayed, then it would seem that the only remaining problem is to evaluate properly that picture in terms of a letter rating or other symbol.

Investigations have proved that the human mind, unaided, cannot analyze, compare, and evaluate at one and the same time a large number of individual traits and qualities, and express accurately the result in a single, out-and-out judgment rating. Just as a modern calculating machine, however, can hold the many necessary figures of an elaborate computation or formula and produce the correct final result, so the scoring device with this rating plan likewise brings to a focus through its scoring stencils and formula scales all the checked items reflecting the employee's character, habits, work qualities, and personality, and translates these into a single letter rating, and it does its work with the same ease and precision as the calculating machine.[1]

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[1] The complete system has already been officially adopted for the state service in California, for the Los Angeles city service, and for the state service in Wisconsin.

OREGON'S RECENT EXPERIENCE WITH A PARTY CONVENTION

BY JAMES D. BARNETT

University of Oregon

Because of death of a candidate for election as governor it was necessary to resort to a party convention to nominate a successor. The conduct of the convention did not inspire confidence in this method of making nominations. :: :: :: :: :: :: :: :: ::

THE direct primary law of Oregon, as amended in 1929, provides that the respective party committees shall fill vacancies among the candidates nominated at the primary election. Thus the death of George Joseph, the Republican nominee for the office of governor soon after the primary election of May, 1930, automatically transformed the Republican state committee into practically an old-time party convention. Friends of the old system hoped that the experience of the committee might be so happy as to insure the reestablishment of the old convention or some approach to it.

The committee held its sessions at Portland on Friday and Saturday, July 25 and 26. But the members arrived a little earlier, and with them politicians and observers of every stripe from all corners of the state. The composition of the state committee is based upon representation of counties as units, and it results that eastern Oregon, very sparsely settled but containing exactly one-half of the counties, possesses a power out of all proportion to its party strength—one-half of the votes in the committee, though furnishing less than one-seventh of the party registration. Justly or not, eastern Oregon is fully persuaded that it does not get a "square deal" from the rest of the state, either in party affairs or in legislation. So it looked, for a while, that the Eastern bloc might dominate the proceedings of the committee and dictate the selection of a candidate from eastern Oregon. Just how much influence the bloc exerted is not clear, but it is interesting to note that the two most important officers of the state committee elected and the candidate nominated for the office of governor were all from western Oregon—from Multnomah County, which has only one member on the committee, or one-thirty-sixth of the voting power, but lists over a third of the registered Republican voters of the state.

COMPOSITION OF PARTY COMMITTEES

Since generally the various party committees, especially the precinct and county committees, have very little substantial to do, the office of precinct committeeman is, quite naturally and quite generally, not much sought after —at times no candidates for the office appear on the ballot. Thus it results that not only the members of the precinct committees but of the other committees, made up of the precinct committees or of their representatives, are, generally speaking, rather politically obscure and without the politician's usual characteristics and experience. This was apparently the case, for the most part, with this state committee. Most of the delegates were probably unacquainted with each other and the general run of politicians of the state. They seemed to want to keep away from each other and from their multitudinous advisers a good deal, and seemed to be very non-committal all around. There was no telling what would happen, it would seem, in spite of contrary opinion expressed since the meeting adjourned.

The first session on Friday afternoon was very brief and was devoted wholly to organization, and this was all effected without contest, perfunctorily, and in short order. One of the rules adopted at the evening session aroused much controversy: "The vote [on candidates] shall be taken by ballot." It would have been hard for the committee to do anything better calculated to deliver it into the hands of insurgents and Democrats. Various unworthy motives have been charged to account for the rule, but perhaps the best explanation is that the committeemen had been so "pestered" by various aspirants that they preferred to "do good by stealth." A number of political leaders, including some of the strongest candidates, tried to prevent the mischief, and it has been roundly condemned by leading "regular" Republican papers.

RESOLUTIONS CONSTITUTED A "NEAR-PLATFORM"

The same evening a set of "resolutions," recommended by the committee on resolutions, was adopted without discussion, including commendation of the deceased Republican candidate for the office of governor, commendation of the administration of President Hoover, federal development of water power in the state, etc. There had been some movement toward the adoption of a regular old-fashioned party platform by the committee, and there was some good precedent for this in both the Republican and Democratic parties since the enactment of the direct primary law. But in view of the fact that there is no provision in the law for such action, and that hitherto attempts to provide by law for the formulation of platforms have failed, it was urged that such action by the committee would be a "usurpation" of authority. But it would seem that there was even stronger reason for this conclusion in the fact that one section of the party had made peremptory demands that the convention should endorse the whole of the policies of the deceased candidate, and that this demand had been as bitterly opposed by others of the party. However, the "resolutions" constituted a near-platform, and the one favoring the *federal* development of water power was practically a repudiation of Joseph's policy of *state* development. Most of the active candidates had submitted more or less comprehensive platforms or statements of their policies, and at least one or two of them had made public campaign addresses.

NOMINATIONS AND BALLOTING

Saturday morning the nominations for the office of governor were made by counties, six candidates being named in brief laudatory speeches. All of the five who were present, under a rule of the committee permitting a nominee to make an address not to exceed ten minutes in length, used this opportunity to speak for themselves as their names were called; but, as remarked by an observer, these speeches "probably had about the same effect on the committeemen as water does on a duck's back."

It had appeared that the choice would be made from among ten of a rather indefinite number of candidates, and that three of these stood by far the best chances. One of the latter became the nominee. It took fourteen ballotings to decide the contest. Phil Metschan of Multnomah County received twenty votes, one more than the required majority, on the last ballot, and the vote was immediately made unanimous by acclamation. Julius Meier also of Multnomah County finally received twenty votes, although he had withdrawn before the balloting began. No votes were here received by any of the candidates at the primary election except the runner-up, Governor Norblad, who also had withdrawn. There was much shifting from ballot to ballot.

Political clairvoyants observing these apparent vagaries of the ballot were certain that they understood the "psychology" of the situation, but it is doubtful whether all of the committeemen could explain all their action satisfactorily even to themselves. However, it seemed that "there were half a dozen or more committeemen who shifted their allegiance from candidate to candidate on each recurring ballot, testing out this one and that, until finally, like a swarm of bees, a majority settled down on Metschan." Of course there could be no general "deliberation" consistently with the secrecy policy even if there could have been under a contrary policy; but always little groups conferred between ballots. When after the eighth ballot a deadlock seemed probable, one of the committeemen said, "An effort was made to try to find a solution by turning to a compromise candidate, but the time was too short." The small size of the committee accelerated mechanical operations, if it could not promote deliberation.

NOMINEE PROMINENT PARTY MAN

The nominee, a conservative Republican, owed his success, probably for the most part, to his long service and prominence in party politics. He was the retiring chairman of the state committee, after holding the office for eight years, and was "the genial host of the Imperial," the grand stamping ground of politicians from remote antiquity; and he was probably better known to most members of the committee, personally or by reputation, than any of the other candidates.

Apparently most of the leading candidates frankly sought the support of committeemen, directly or through their agents or both, before the meeting and during the period of the meeting. Candidates felt more or less sure of a certain number of votes before the balloting began. But apparently most of the committeemen were not pledged either directly to candidates or indirectly through instructions from the county committees. However, it is certain that great pressure was brought to bear upon the committeemen and that they were from the beginning continually besieged by politicians of all sorts and by various groups. "Advisers" from home followed some of them to Portland. Particularly since the close of the convention, charges that it was infected with the "machine" methods and general bad politics incident to the old-time convention have been made, but not much concrete evidence has appeared to substantiate the charges. The unfortunate secret ballot was conducive to a good deal of suspicion. There were no closed caucuses of the committee. The eastern Oregon bloc held at least one closed caucus. A closed caucus of the committeemen who are also "service" men discussed the possibility of nominating a service man "in the event of a dark-horse situation developing at the convention," and apparently a selection was made for the purpose. There were rumors of "deals" among small groups of delegates not openly arrived at. The committee seemed wholly "leaderless" from start to finish. There had been a possibility of manipulating to some extent the organization of the state committee in favor of particular candidates, for eleven of the members were not chosen until after Joseph's death. And charges of manipulation have been made, but the evidence to this effect, if any, has been unavailable.

MEIER WITHDRAWS AND RUNS AS AN INDEPENDENT

Before the balloting began Meier withdrew from the contest, declaring that the committee had "scrapped" the Joseph policies and used "machine" methods. His withdrawal was some indication that a "bolt" was in prospect, and so it was. Immediately after Joseph's death there was demand that the action of the state committee in naming his successor should be governed by the "party" will as expressed at the primary election. Joseph, one of six candidates, had been nominated by a plurality of one-third of the votes. On the one hand it was contended that the runner-up, Governor Norblad, was the logical choice. But it was answered that since each candidate has secured only a *minority* of the votes, the committee was absolutely free to make its own choice. Some thought that all the candidates at the primary should be ignored, on the ground that a *majority* had rejected all of them. The governor's retirement from the contest simplified matters. On the other hand, it was maintained that since Joseph and his platform had been most acceptable to the "party," only such a candidate should be chosen who was in full sympathy with Joseph's policies, chiefly state water-power development and home rule in the control of public utilities. But the "minority" argument was here also applied.

However, the Joseph-for-Governor Club, which has been active during the primary campaign, delivered an absolute ultimatum requiring as a condition precedent to its support of any candidate that the nominating committee should "reaffirm without alteration or qualification" the planks of the Joseph platform, and that the candidate nominated should do the same thing. Joseph adherents having received no satisfaction from the state committee, which, they said, had "reversed the result of the recent primary election," an organized movement for an "independent" nomination quickly followed.

An "Independent Political League" was formed, and the League announced a "state-wide" convention for independent action. The convention, a huge gathering, met at Portland the evening of August 7. Various groups besides the League were represented. With the leaders of the insurgents, largely "radicals" and "progressives," there was "something new and strange" in an admixture of conservative Republican politicians. Some Democrats were included. Three members of the state committee were among the supporters of revolt. It was generally understood that Meier, long a personal friend and business associate of Joseph, and a champion of his policies though not himself a politician, would be the only candidate considered. Practically the only purpose of the convention was formally to proclaim approval of Meier and the Joseph-Meier program; and this was done.

CONVENTION SYSTEM GAINED NO PRESTIGE

The quarrel among the Republicans "looked good" to the Democrats, especially since somewhat similar situations had resulted to the advantage of the Democrats before. Even if the Republican vote should be split, one or the other Republican faction would win over a straight Democratic vote, since the registered Republicans number over twice as many as the Democrats; but it appeared that dissatisfaction with both of the factions might bring many Republicans to the Democratic camp. However, on the other hand, many Democrats were in sympathy with the program of the insurgent candidate; and on account of a factional division within their own party, some were opposed to the Democratic candidate, although, later, the "warring" factions more or less "buried the hatchet." The outcome was absolutely uncertain. The independent candidate was elected by a large majority.

All which does not seem to teach that there is very good reason for the return of the convention system in Oregon.

AMERICAN GOVERNORS SINCE 1915

BY SAMUEL R. SOLOMON

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This study was suggested by an article which appeared in the NATIONAL MUNICIPAL REVIEW *in November, 1927, which covered the governors from 1900 to 1910. Since 1910, the office of governor has increased in importance and new powers have been added, so that it is not surprising that the conclusions of this study do not agree entirely with those of the November, 1927, article.* :: :: :: ::

IF THE office of governor has not been held in particularly high esteem in former years, the same is no longer true. Today, the governor is the outstanding personality in state politics and administration. "Next to the President of the United States, it is the governor who engages the interest of the voters."

Especially has this been so during the past fifteen years. With the popular election of United States senators has come a greater cleavage between state and national politics. Voters are discriminating more and more between state and national issues, and are focusing greater attention upon state and local affairs. Moreover, with the movement for administrative reform, they have given the governor greater power, with the result that "he is no longer the mere 'presiding officer' as Jefferson wished him to be —a non-entity or a servant of the legislature as all the early state constitutions except those of New York and

Massachusetts sought to make. He now enjoys executive powers of a high order."[1]

Thus, with its enhanced political and social prestige, the governor's mansion beckons more invitingly than ever. What is the path that leads to, and from it? In this paper, the writer has attempted to outline the path that has been taken by our governors for the past fifteen years. Although 232 governors have taken office in that time, this survey, with the exception of political affiliations, is confined to the 209 for whom substantial biographical data could be obtained.[2]

WHERE THEY COME FROM

Of 209 governors, 117 were native sons, 82 were born in other states, one in Honolulu, eight abroad, and one at sea. Of the number born abroad, two were born in England, two in Canada, two in Germany, one in Wales and one in Norway. In this period, only ten states have elected native sons exclusively, while four of the younger states have chosen solely from "outsiders."

EDUCATION

At least 135, or 64 per cent of the group, have attended or graduated from some college or university. Most of these took the liberal arts and law course. Nine were elected to membership in Phi Beta Kappa.

Of the remaining seventy-four, thirty-two got as far as the public high school; six attended both public and private schools; three, private schools; seven, academies or seminaries; sixteen, normal schools; five, business schools. Two went the route of the district school, while a New York parochial school claims a sole son in former Governor Smith. Only two of the group style themselves as "self-educated."

A MARRYING MAN

The governor is a marrying man. Very few of the group have failed to take with them a First Lady of the State to grace the executive mansion. His Excellency is also a proud father, the number of respective "juniors" ranging from one to twelve.

VOCATION

Most of the governors have, during their careers, engaged in more than one occupation. Some have tried their luck at as many as four and five. The occupations which first attracted the future executives are distributed as follows:

Law..........	86	Railway clerk....	2
Education.......	18	Coal dealer......	2
Finance.........	15	Auto dealer......	1
Farming........	10	Clothing........	1
Ranching.......	7	Reporter........	1
Manufacturing...	7	Forester........	1
Engineering.....	6	Laborer.........	1
Editing.........	5	Well driller......	1
Printing........	4	Inventor........	1
Real estate......	4	Irrigation.......	1
Clerking........	3	Electrician......	1
Medicine........	2	Hardware.......	1
Lumber business.	2	Miscellaneous....	14
Mining.........	2		

PARTY AFFILIATION

Of the total group of 232, 115 are claimed by the Democrats, while 113 have ridden on the Republican Elephant. There have been one Progressive, two Progressive Republicans, and one Independent. The latter (Nestos of North Dakota) was reelected as a Republican. Twelve states (including the "solid south") rank 100 per cent Democratic in this period, while only half as many states have been solidly Republican.

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[1] Beard, C. A. *American Government and Politics.* p. 558.

[2] Sources: *Who's Who in America, World Almanac;* Volumes from 1915 to 1929.

PUBLIC AND POLITICAL EXPERIENCE

The public offices held by our governors-to-be, like their vocations, represent a wide and varied range of abilities and interests. Most of them have held more than one office, while only twelve have held no office of some public character. In addition, the great majority of them have been schooled in political sagacity through state party committees, national conventions, and state constitutional conventions. I shall list first the range of public offices held, next, the office first held, and finally the office held at the time of, or immediately preceding, election to the governorship. In each case, a division is made between federal, state and local offices.

Public Offices Held

Federal

Congress	17	U. S. Marshall	1
District Attorney	3	Commissioner of Forestry	1
War Food Administrator	3	Collector of Revenues	1
Postmaster	1	U. S. Senate	2
Assistant Secretary of Navy	1	Bench	4

State

Lower House	75	State Printer	2
Upper House	55	Board of Equalization	1
Both Houses	32	President State R. R. Commission	1
Lieutenant Governor	37	Commissioner of Forestry	1
Bench	23	Secretary of Agriculture	1
Secretary to Governor	5	Warden, State Prison	1
State Auditor	4	State Corporation Commissioner	1
Secretary of State	3	Superintendent of Schools	1
Speaker	3	Public Service Commissioner	1
Governor's Staff	3	Highway Commissioner	1
State Engineer	3	Banking Commissioner	1
President Constitutional Convention	3	Chairman Public Utilities	1
President, Senate	2	Chairman Board of Law Examiners	1
State Comptroller	2	Commissioner of Education	1
State Tax Commission	2	Solicitor General	1

City and County

Mayor	25	City Treasurer	2
State Attorney	16	City Commissioner	1
City Attorney	10	City Clerk	1
City Council	9	Sheriff	1
County Attorney	7	Police Commissioner	1
Prosecuting Attorney	5	City Assessor	1
Bench	4	County Assessor	1
County Clerk	3	Country Auditor	1
City Auditor	2	City Water Commissioner	1
City Collector	1		

First Office Entered

Federal

Congress	5	Food Administrator	1
District Attorney	3	Forester	1
Postmaster	1		

State

Lower House	50	Secretary of State	1
Upper House	23	Secretary of Agriculture	1
State Engineer	3	State Tax Commissioner	1
Governor's staff	3	State Comptroller	1
Lieutenant Governor	1	Bench	1
State Printer	1	Superintendent of Schools	1
Warden, State Prison	1	Secretary to Governor	1

City and County

Mayor	17	County Clerk	3
City Council	9	City Treasurer	2
City Attorney	8	City Auditor	2
State Attorney	7	City Commissioner	1
County Attorney	5	City Clerk	1
Prosecuting Attorney	5	County Auditor	1
Bench	4	County Assessor	1

LAST OFFICE BEFORE GOVERNORSHIP

Federal

Congress	9	Assistant Secretary of Navy	1
District Attorney	3	Collector of Revenue	1
U. S. Senate	2	Postmaster	1
Bench	2	U. S. Marshall	1
War Food Administrator	2		

State

Lieutenant Governor	34	Secretary of State	3
Senate	26	Chairman Public Utilities Commission	1
House	9	Secretary to Governor	1
Bench	9	President R. R. Commission	1
President Constitutional Convention	3	Board of Equalization	1
State Treasurer	2	Commissioner of Forestry	1
State Tax Commission	2	Superintendent of Schools	1
Territorial Legislator	2	Public Service Commissioner	1
Secretary of Agriculture	1	Banking Commissioner	1
Attorney General	1	Highway Commissioner	1
President School Board	1	State Engineer	1
Comptroller	1	Board of Law Examiners	1
Warden	1	Solicitor General	1

City and County

Mayor	7	City Water Commissioner	1
City Council	5	Sheriff	1
City Commissioner	1	County Judge	1
Police Commissioner	1		

As has been said, the above figures represent a wide range of legal, administrative and legislative experience in all branches of governmental work. Our governors have spent from none to forty-five years in public office before winning their gubernatorial campaigns, the average length of service before election being from ten to twenty years. The governor is thus fairly well along in years when he reaches the executive mansion, the range of ages being from 36 to 73, the majority falling between 45 and 60, and the most popular age being 50.

At least 60 of the 209 have served two terms. Nine (Holcomb and Trumbull, Connecticut; Ritchie, Maryland; Groesbeck, Michigan; Burnquist, Minnesota; Cox and Donahey, Ohio; Christianson, Minnesota; Philipp, Wisconsin) have served three terms, one (Smith, New York), four and one (Hunt, Arizona), six terms.[1] Most of the reëlections have been won in states with biennial elections. The second terms, for the most part, have been served consecutively, although several governors have staged a comeback after two, three, and even more terms out of office. (J. B. McCreary, of Kentucky, was reëlected after thirty-two years out of office.) Five governors have died while holding office; four have been impeached, three of whom were removed and one (Frazier) was recalled and defeated at a recall election in North Dakota. Frazier was later sent to the United States senate by the same state.

WOMEN GOVERNORS

The female of the species have twice invaded the inner sanctum of the governor's office, in both instances after their respective husbands had occupied the chair. Mrs. Nellie T. Ross was elected governor of Wyoming to succeed her deceased husband, while Mrs. Miriam A. Ferguson won at the Texas polls in the same year, running on a platform of vindication for her husband, impeached in 1917.

The place of women in American politics is still a moot question. What can we say of our women governors?

Whether or not we are going to elect more of them is, of course, difficult to foretell. State administrative and legislative procedure is a vigorous matter, to say the least. Although the voters of a state have been willing to give the executive more power, the legislators are by no means as willing to allow the governor free and untrammeled exercise of that power. Thus almost any legislative session has potentialities of a pitched battle between the governor and his legislative opponents. And legislators and lobbyists feel just a bit uneasy with a woman in the chair. They do not play the political game in the manner to which they are accustomed. So these legislators and lobbyists breathe a heavy sigh of relief when a woman is succeeded by a man.

HIS EXCELLENCY, THE GOVERNOR

Let us now summarize briefly the educational, social and political background of the individuals who have been at the executive helm of our states since 1915. About three out of five have been native sons. More than half of them have gone to college. Forty-one per cent were lawyers by profession. Others entered teaching, finance, business, farming, and engineering. Practically all of them married and established successful homes. Many of them entered public office by way of the state legislature. Other favorable ports of entry have been state and local administrative positions. From these offices they were promoted to higher legal and administrative positions which served to bring them further into the political limelight. The lieutenant governorship has been the most favorite stepping stone to the chief-executive's chair. The governor has usually been reëlected in two-year term states. Having served from ten to twenty years in public office before becoming governor, he is usually of middle age. Political honors have been evenly divided between the two major political parties.

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[1] The above data as to terms in office were prepared before the results of the November election were known. In that election governors and former governors fared as follows:

Reëlected to the governorship, 12. Hunt, Arizona (after one term out); Adams, Colorado; Parnell, Arkansas; Gardiner, Maine; Ritchie, Maryland; Bryan, Nebraska (after three terms out); Balzar, Nevada; Winant, New Hampshire (after two terms out); Shafer, North Dakota; Pinchot, Pennsylvania (after one term out); Case, Rhode Island; Emmerson, Wyoming.

Defeated for reëlection to governorship, 5. Phillips, Arizona; Young, California; Allen, Massachusetts; Weaver, Nebraska; Cooper, Ohio.

Governors elected to U. S. senate, 2. Long, Louisiana; Bulow, South Dakota.

Former Governors reëlected to U. S. senate, 2. Capper, Kansas; Keyes, New Hampshire.

Governor elected to congress, 1. Weeks, Vermont.

Defeated for U. S. senate, 2. McMaster, South Dakota; Davis, Kansas.

That, in short, has been the path leading to the executive mansion. What is the path that leads from it? In 1927, Austin F. Macdonald made this comment regarding American governors.[1]

"The governorship may sometimes be a stepping-stone to fame; usually it is a toboggan to political oblivion. Greater emphasis on the administrative function of the governor is needed."

Mr. Macdonald's observation is based on a study made of the governors from 1900 to 1910, one hundred and eighty-seven in number. He says of this group that "seventy per cent never held public office after leaving the governor's chair. This is in striking contrast with the eighty-four per cent who held office previously." He goes on to say that, of the one hundred and twenty-five who held state offices before becoming governor, only nine returned to serve their state after their term in the executive chair. "In other words," Mr. Macdonald concludes, "the number of years a governor can remain on the state payroll is limited for all practical purposes by the number of years he can remain governor. Once he vacates that office, his public career is likely to be over, unless he enters the service of the federal government. . . ."

This situation is readily explained, as even Mr. Macdonald intimates, by the fact that, after serving in the highest office that his state has to offer, the governor is rather reluctant to "step down" to a subordinate state office, even though it may command a higher salary. Having once tasted the sweets of executive power, the governor looks about for more worlds to conquer, and the federal government—congress, the senate, the cabinet, the diplomatic corps, and even the presidency, offers an opportunity. It is only natural that the governor should point his political guns in the direction of Washington. If he is defeated for federal office, or, if he has tired of legislative and administrative worry and responsibility by the end of his gubernatorial term, he returns to his former occupations and hobbies, to his farm, ranch and trout-brook.

LATER SERVICE WITH FEDERAL GOVERNMENT

Nineteen of the 209 here reported upon have gone to the United States senate. One became vice president, and then, president of the United States. Two were defeated for the presidency, three for the vice presidency. Two were candidates for presidential nomination. At least four have been defeated in senatorial campaigns. One was appointed minister plenipotentiary to Siam; another, ambassador to France. Other important federal appointments have been: secretary of agriculture (2); assistant secretary of treasury; first assistant postmaster-general; U. S. commissioner of reclamation; U. S. commissioner of land offices; U. S. board of mediation; U. S. railroad labor board; special assistant to the attorney general; adviser to the secretary of the interior on the Colorado River; collector of the port of Providence; chairman of the Port of New York Authority; St. Lawrence waterways commission; U. S. treasury commission on gold production; federal farm board (2); federal judge (2).

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[1] Austin F. Macdonald, "American Governors," NATIONAL MUNICIPAL REVIEW for November, 1927. (Reprint.)

Excluding 27 governors who have since died, and the 48 present incumbents, this means that at least 34 per cent of the available group have advanced to, or have tried for, federal offices, a rather remarkable achievement when we consider that the majority of them have but recently relinquished the governorship. More, therefore, can be expected of the group. Moreover, an ex-governor is almost always a potential candidate, not only for federal office, but for reëlection to the governorship.

As the years pass, and more of the state governments are reorganized to correspond with the governor's new power and position in state politics, the governorship will in all probability become more and more "a stepping-stone to fame" and less and less a "toboggan to political oblivion." Indeed, governors of the future may well be satisfied with the fame attached to gubernatorial success.

RECENT BOOKS REVIEWED

COUNTY GOVERNMENT AND ADMINISTRATION. By John A. Fairlie and Charles M. Kneier. The Century Co., New York, 1930. 600 pp.

Only within the last few years has the subject of county government been considered as worthy of inclusion in a university curriculum. It is doubtful whether at the present writing there are more than half a dozen universities in which a student may enroll for a course in county government.

This neglect of the subject, it may be freely admitted, has been partly due to the lack of adequate literature. Indeed, if we mention Professor Fairlie's earlier book, *Local Government in Counties, Towns and Villages*, published in 1907, and that of Professor Porter, *County and Township Government in the United States*, we come to the end of our rope. No other book planned as a textbook existed prior to the publication of this volume. (And it is sad to contemplate what might have happened to many an instructor, mired in the swamp of county government without a text!) This, of course, should be taken in no way to reflect upon those excellent studies of county government in a single state by Wager, Anderson, Kilpatrick and others.

Stimulation of interest in county government, and the inclusion of this subject within the pages of more college catalogues, is bound to follow publication of this book. Consequently, it is not going too far to say that this book marks a milestone in the progress of our efforts to do something about the county—indubitably the worst of all phases of American government. That it will be but the first of a series of such books is hardly open to question.

The authors have done a splendid pioneer job in gathering facts from all sections of the country. There is an amazing amount of information between the covers. And it is well organized, indexed and documented—a needless comment to all who are familiar with the painstaking and scholarly thoroughness of the senior author.

It is perhaps this very merit that is the book's chief handicap. Invaluable for reference purposes, it will be criticized by some because of the meticulousness with which the authors have marshaled every fact, occasionally, perhaps, at the expense of their valuation of those facts. One could wish also that more attention had been paid to the consideration of various solutions to the problem presented by the artificial county area and its headless, inefficient administrative organization. All the possible "outs" have been dealt with, but some of them very briefly. However, in saying so much, what are we doing but asking Messrs. Fairlie and Kneier to write another book? For it would be difficult indeed to suggest what ought to be left out of this one. The authors have probably acted wisely in cutting their cloth according to their pattern and leaving the field of experimentation and speculation to others, or at least to other books.

On the other hand, a most significant contribution has been made in the authors' keen observation of developing tendencies in county government. One of the most interesting of these lies in the state selection and state control over the local selection of county officials.

In the redistribution of county functions, the authors see possibility for improvement in county government. They refer not only to a transfer of functions from the county to the state but from the county to some other area of local administration, as, for instance, the joint carrying out of certain functions by adjoining counties, and the creation of local districts for special purposes.

With respect to county home rule, the authors emphasize that "any home rule grant should stress the freedom to select the form of governmental organization rather than freedom in the exercise of governmental powers. It seems open to question whether home rule should be granted to counties to the same degree that it has been granted to cities."

Finally, too much emphasis can hardly be placed upon the fact that the authors have done a huge piece of work. In almost any other field of government, they could have produced a book with much less effort. When one recalls that there are 3072 counties in this country, with an almost unbelievable variation in their powers, and in the titles and the functions of their officers, the size of the undertaking becomes evident.

HOWARD P. JONES.

Civic Attitudes in American School Textbooks. By Bessie L. Pierce. The University of Chicago Press, 1930. 297 pp.

With only enough thread of comment to string the quotations together a book is here achieved that is literature, as well as political science. The mere quotations many of which individually appear blatant or naïve, taken together, become invested with a cold irony that is superb. Mr. Mencken has overlooked a mine of ore for his "Americana" in the history textbooks of our country which are here dispassionately sampled by Dr. Pierce.

Most of the book is taken up with exhibits which show the views an American child unconsciously absorbs concerning the character of the peoples in other countries, and of the generations which have preceded him on this continent. All the first are pretty black and the latter's white is only faintly sullied. Only a few pages are directly concerned with the points of view towards current internal and local problems, so that very little light is thrown on why New York children ardently support Tammany Hall when they are old enough to vote, or why Chicago school boys tell teacher that they think Al Capone is a bad citizen but reveal admiration for him in the games they invent and play. But when the uncritically patriotic basis revealed in the bulk of the quotations is taken into account, the reason for emotional rather than intelligent reactions to graft and machine politics becomes clearer.

The textbooks on civics, sociology, and "problems of democracy" appear to be soberer and more critical than do histories and "readers," and quotations from these texts show that sanity and common sense has got a foothold. Munro and Ozanne, Beard and Bagley, Reed, and many others make a really creditable showing.

Heretofore municipal reformers have concerned themselves mainly with structure and mechanism, making only a general appeal to the citizenry to accept their suggestions. This book reveals that a pressing need is to equip young America with a realistic approach to the history of their own and other countries and to current problems within their country and its cities. No better preparation can be had for such textbooks than to read this book for the errors of predecessors are exposed to full light and the direction to take is indicated more plainly than any didactic advice is capable of.

W. J. Millard.

Tax Racket and Tax Reform in Chicago. By Herbert D. Simpson. Institute for Economic Research, Chicago, 1930. 287 pp.

As Chicago emerges from its long continued and complicated tax dilemma, there appears a complete report of the situation, beginning to end. This volume is certainly to be considered as a succinct statement of the peculiar, or at least particular, situation, together with all of its complications, existing in Chicago. It portrays the extent to which maladministration of the general property tax may go in large cities.

The book is the record of a study undertaken to determine the quality of assessments found in Cook County, the conditions disclosed, measures taken in the direction of correction, and problems for which a solution must yet be found.

Part I discusses the study undertaken and the results disclosed. More than merely portraying the variations existing in Chicago assessments—which, of course, exist in other cities throughout the country though possibly in less degree—it presents a thorough and carefully checked working procedure and approach toward the study of equality. This alone is sufficient to justify the volume, without the general interest which should be found everywhere in such an important matter of taxation.

Part II relates the hectic events from the first order for reassessment, through the reassessment, the creation of the citizens' committee, and the remedial measures undertaken, appropriately titled, "Tax Relief." But small space is devoted to the actual work of reassessment, after its having once been undertaken.

The final division, Part III, sets forth proposals for securing efficient and equitable assessments. Perhaps all would not agree with all of the measures proposed, but they at least deserve consideration, and, as the author states, are being suggested in answer to a definite situation, not as a general treatise on methods and forms.

It is difficult to visualize how the book could escape being of general interest to all students of taxation. To "researchers" there may be some disappointment in the limited notice given to the monumentally constructive efforts of the director of the Chicago Bureau of Public Efficiency, as evidenced in analyzing the reports of the citizens' committee.

The book contains a bibliography, index, and is well supplied with tables and charts.

Loren B. Miller.

Detroit Bureau of Governmental Research.

THE DEVELOPMENT OF AMERICAN POLITICAL THOUGHT. By William Seal Carpenter. Princeton University Press, 1930. vi, 191 pp.

Professor Carpenter has performed a useful service for students of American institutions in presenting this compact and scholarly study of the background and development of the traditional principles of American political theory. These fundamental doctrines, the social contract, balanced government, democracy, individualism and majority rule, are taken up in successive chapters, placed in their proper historical setting and analyzed as to their practical significance in the development of the American system of government.

Each of these basic concepts is treated realistically from the point of view of its actual limitations and of the part it has played in the growth of American political institutions. The contract philosophy, borrowed by the founding fathers in their search for justification of rebellion, still continues, Professor Carpenter points out, as an unconsciously revered basis of social organization. The separation of powers idea, so sanguinely embraced by the early constitution-makers, has been given effective reality, he holds, by the development of judicial control over the constitutionality of legislation. "The intense cultivation of the principle of individualism," due largely to the peculiar characteristics of the nation's early economy, has served the purposes of expediency in the hands of both liberal and reactionary leaders.

The realization of the democracy contemplated in the Declaration of Independence is presented not as a reflection of the spirit of the cautious constitution-makers of 1787 but as an achievement of more recent times. Many students of American institutions, however, will question Professor Carpenter's statement that "the growth of democracy in the United States cannot be referred in any great degree to economic influences." The devise of majority rule, so commonly accepted as an American political axiom, is shown to have been an evolutionary development rather than a principle fundamental to popular government in 1787.

The American people, in other words, have paid little attention to abstract political speculation. Nor have our leaders permitted speculative theories to interfere with practical statesmanship. From time to time basic ideas and concepts have been resorted to as useful weapons in close-fought political contests, or as a means of justifying accomplished facts. While failing in any systematic development of abstract speculation, however, the American people have not been lacking in ingenuity whenever the occasion arose to put political theory to constructive use.

FRED L. BIRD.
Municipal Administration Service.

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REPORT ON A SURVEY OF THE ORGANIZATION AND ADMINISTRATION OF THE STATE GOVERNMENT OF NEW JERSEY. Prepared by the National Institute of Public Administration, New York City, 1930. 381 pp.

This report was prepared pursuant to a joint resolution adopted at the 1929 session of the New Jersey legislature. The resolution authorized, in addition to an audit of the state finances, a detailed study of the functions, personnel, and methods of the various departments, boards, commissions, institutions, and agencies. The survey was conducted under the general direction of A. E. Buck of the National Institute of Public Administration.

New Jersey, unlike its close neighbors, New York and Pennsylvania, has never attempted a general reorganization and integration of its administrative machinery. As a consequence, the administrative structure today consists of no less than thirty-two single, independent officials and seventy-two boards and commissions, a total of ninety-four agencies. Executive supervision and direction are entirely lacking in the New Jersey arrangement. "The governor is not in a position from the standpoint of organization to control the administration. He is practically without the aid of a modern financial system—there is no central accounting to speak of; the so-called budget system is scarcely worthy of the name; and unified tax administration is almost totally lacking. There is no coöperation, in the real sense of that term, between the various departments and agencies; and the governor is without legal authority to coördinate their effort and activities."

The recommendations of the report deal a body blow to the prevailing board system of administration. The plan outlined proposes the establishment of thirteen major departments, as follows: Executive, finance, taxation, agriculture, labor, public welfare, health, public works, conservation, public utilities, banking and insurance, law, and audit. These departments would all be under the direction of single commissioners appointed by the governor, with the exception of the department of audit, which would be headed by the comptroller appointed by the legislature. Among the numerous boards and commissions eliminated by the plan would be the state highway commission, the sixteen separate boards of managers for the sixteen state institutions, the board of public utility commissioners, the civil service commission, the budget commission, and the state house commission. Agencies of the board or commission type established or retained would include a standardization committee in the department of finance, a board of review in the department of taxation, an advisory board on agriculture, an advisory health council, a court of parole of three members in the department of public welfare, a board of education and licensing and examining boards in the department of education. Constitutional, as well as statutory, changes would be required to adopt the plan in its entirety.

The report analyzes the methods and procedure of the operating agencies in considerable detail, criticizing some and praising others. Exceptionally well presented is the analysis of the defects of the existing parole system. Frankness and directness characterize the report. This is well illustrated in the chapter on purchasing. Specific contracts are discussed in detail to show how the state house commission is subject to political influence and is swayed by political considerations in the expenditure of the state funds.

The reviewer believes the report embodies essentially sound principles of state administrative reform. Some would be inclined no doubt to question the wisdom of changing over from such a completely disintegrated piece of administrative machinery directly to one so highly integrated. But experience has demonstrated the validity of the principles applied. Particularly in a state so highly urbanized as New Jersey, centralization of administrative control seems entirely feasible and very desirable.

Martin L. Faust.

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Report to the Governor and the Legislature of New Jersey of the State Audit and Finance Commission. Trenton, 1930. 58 pp.

This is an incomplete and fragmentary document evidently designed to represent the conclusions of a special committee authorized to report a scheme of administrative reorganization and consolidation. It is without a doubt a disappointing report, when one makes note of the fact that the commission admits in its introductory statement that it has utilized every available source of information, including the report of the National Institute of Public Administration. It is replete with inconsistencies and non-sequiturs; it is awkward and crude; it shows signs of hasty preparation and poorly thought-out conclusions. It is pretty clear at various places that the commission harbored a contempt for expert opinion.

A few illustrations will indicate the character of the report. In the section on the governor, emphasis is given in the introductory paragraphs to the centralization of executive control under the governor. But in succeeding paragraphs we have such sentences as the following: "The form is of small moment. . . . The notion that the Governor should make every appointment, presumably on the assumption that he is responsible only for his own appointees is specious. His duty is to oversee the faithful execution of the laws by every executive officer, board and commission, constitutional as well as statutory, regardless of whether appointed by him or not. The manner of appointment is a matter of policy. Enforcement of the laws is a matter of duty."

An example of confusion worse confounded is the recommendation of the report that the present state house commission of three members be abolished, and that in its place there be established a state executive commission, which shall consist of the governor, the treasurer, the president of the senate, the speaker of the house of assembly, the chairman of the senate appropriations committee, and the chairmen of the house of assembly appropriations committee. "This commission as an executive committee will execute the legislative fiat and determine the times, conditions and circumstances which warrant the applications of legislative mandates or permissions."

The report does give considerable emphasis to the desirability of an executive budget system and a system of centralized purchasing. These are the bright spots in it. But it is difficult to realize how either one or both of these reforms can be made effective, unless the machinery of administration be integrated and consolidated, certainly to a much greater extent than it is at present.

Martin L. Faust.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

The Annexation of Territory by Cities.—Frederick N. MacMillin. 1930. 17 pp. Mr. MacMillin prepared for the League of Wisconsin Municipalities an outline of procedure and forms for the annexation of territory by cities. It has been checked by their legal counsel and by city attorneys who have had experience in annexation. The procedure suggested is more detailed than is required by Wisconsin law, but such precaution is considered wise. The section on procedure includes excerpts from the leading court decisions on the subject. The forms cover annexation petition, affidavit of city engineer or surveyor, census of electors in territory involved in annexation, affidavit of the taker of this census, census of the property owners, affidavit of taker of this census, ordinance of annexation, proof of publication, and certificate of annexation. (Apply to League of Wisconsin Municipalities, University of Wisconsin, Madison, Wisconsin.)

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A Proposal for the Classification and Compensation of Employees of Suffolk County.—Boston 1930. 52 pp. Under legislative provision the budget commissioner of Boston was directed to prepare, for submission to the city council, plans for classification of Suffolk County employees, as a basis for adjustments of compensation, to be effected for 1931 salaries. The budget department in a five-month study, listed positions, analyzed the work with both individuals and department heads, considered salaries for similar work in Boston, determined rules for administration of the classification and compensation plans, and presented the resulting grouping of positions, record of duties and salary recommendations to the council. This study by the Boston Budget Commission, applied to county employees, is another record of the constant adjustment and reconsideration of salary schedules. (Apply to the Budget Commissioner, Boston, Massachusetts.)

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The Preparation of Zoning Ordinances.—Department of Commerce, Washington, D. C. 1931. 70 pp. The Division of Building and Housing has issued a new guide to municipal officials and others in the arrangement of provisions in zoning regulations. After giving a brief history of the spread and desirability of zoning, suggestions are made for the preparation of ordinances, with outlines as to form and possible wording for those sections subject to uniformity. Sections are included on definitions, districting non-conforming buildings, administration, and validity of the ordinance. (Apply to Division of Building and Housing, Bureau of Standards, Department of Commerce, Washington, D. C.)

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The Proposed Establishment of a City Board of Education.—Chattanooga Bureau of Governmental Research, 1930. 21 pp. Chattanooga is one of two large cities which have no board of education, and this report deals with the proposal to abolish the position of commissioner of education and place a board in control of the city school system. The report points out the advantage of a board, freed of the routine administrative duties of the commissioners, and having time to study school needs and formulate forward-looking educational policies. As to the financial independence of such a board, there are citations of the practice in other cities and quotations from various authorities, with the conclusion that the value of financial independence of the board of education is secondary to the need for final determination of expenditures by a single body, the city council or commission. (Apply to Bureau of Governmental Research, Chamber of Commerce, Chattanooga, Tennessee.)

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Centralized Purchasing.—Russell Forbes. 1931. 40 pp. This pamphlet, sub-titled "A Sentry at the Tax Exit Gate," is published to answer in a complete, concise and authoritative manner the many inquiries for information as to the desirability and practicability of the application of centralized purchasing to the procurement of supplies, materials and equipment for governmental agencies. The average government of today spends 20 to 30 per cent of its current operating budget on the purchase of supplies, materials, and equipment. Delegating to one office the purchase of these, for use by all the branches of the organization is a combination of logic and economics which has well-defined advantages, which are briefly described and explained here. (Apply to the National Association of Purchasing Agents, 11 Park Place, New York City.)

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Report on the General Bonded Debt of Wyandotte County, the City of Kansas City, Kansas, and the Board of Education.—Bureau of Governmental Research, Kansas City, Kansas. 1930. 54 pp., with tables and charts. These three different groups of elected officials are all empowered to issue bonds which are, practically, the obligation of the unit of Kansas City. It is for this reason that their bonded debt is considered as a whole. Bonds have been regularly used to finance permanent improvements, and the prospect of future bond issues presents the need of consideration of the results of this system of financing. Comprehensive proposals for study by public and civic bodies are set forth. (Apply to Bureau of Governmental Research, Chamber of Commerce, Kansas City, Kansas.)

✣

Survey of the Privately-Owned Car Plan of Municipal Transportation.—George A. Terhune. 1930. Department of Public Works, City of Los Angeles. 21 pp. The city council of Los Angeles requested in 1929 an investigation of the high cost of transportation for city work, especially the rentals of privately-owned automobiles on a mileage basis and trucks on a contract basis. This pamphlet is a summary of the reports on the various phases of the privately-owned car plan, and includes data secured from other cities. The author recommends a continuation of the rental of cars of municipal employees on mileage-rate basis, with an added compensation for the regular transportation of additional passengers or equipment rather than the acquisition of a fleet of city-owned cars. He also urges the unified supervision of automotive equipment under the jurisdiction of the department with a superintendent of transportation responsible for its efficient operation and maintenance. (Apply to City Engineer, Los Angeles, California.)

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Report of Marketing Board to the Saint Lawrence Power Development Commission.—Albany, 1931. 68 pp. The St. Lawrence Power Development Commission appointed by Governor Roosevelt was assisted by technical advisers for marketing, engineering and legal aspects. This is the report of the marketing board under the direction of John Bauer and John P. Hogan. Assuming the acceptance of the plan submitted by the engineers, the problem of the marketing board centered about the use of some 6 or 7 million kilowatt hours of electrical energy generated by New York State. The commission considers the best use of such power would include use at the site by continuous industry and the distribution of the balance in the existing market along with power from other sources which could supply the fluctuations in load. This would necessitate state contracts with existing utilities for transmission that the small consumer, too, might benefit from the state project. The report contains diagrams and tables showing seasonal loads, consumption per consumer now and as estimated for 1937, with costs for generation and transmission in private companies and municipally-owned plants, with their rates. The report concludes that there will be ample market for St. Lawrence power at the rates, and under the conditions proposed, with a sufficient continuous load to take the entire output soon after the earliest possible completion of the plant. (Apply to Secretary of State, Albany, New York.)

✣

Report on the Cost of Administration of Criminal Justice in Rochester, New York.—Washington, 1931. 38 pp. This report, which was prepared by the Rochester Bureau of Municipal Research, is published as a guide to the investigators who are making studies for other cities in connection with the project of the National Commission on Law Observance and Enforcement, and is worked out on the basis of the commission's manual, although the Rochester report is not to be taken entirely as a model for such studies. Of the $1,385,799 expended for criminal justice in Rochester in 1929, 79.5 per cent was spent for police, 4.4 per cent for prosecution, 5.1 per cent for criminal courts and 11 per cent for penal and corrective treatment. (Apply to Sidney P. Simpson, Esq., 61 Broadway, New York City.)

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE

Professor of Law, New York University

Police Power—Ordinances Vesting Discretionary Power in Local Legislative Bodies.—Three recent decisions, handed down by the courts of New York, Massachusetts and Wisconsin respectively, uphold the validity of ordinances which leave to the local ordinance-making body the exercise of discretion in granting or refusing permits. In *City of Albany* v. *Newhop*, 246 N. Y. Sup. 100, the ordinance prohibited the slaughtering of cattle, sheep or swine in buildings within certain prescribed territory without permission of the common council. This ordinance was enacted under authority of a statute giving the council power to legislate "for the preservation of good order peace and health, for the safety and welfare of its inhabitants and the protection and security of their property." In *Ryder* v. *Board of Health of Lexington*, 173 N. E. 580, the board of health made an order of prohibition of the plaintiff's piggery because of non-compliance with the rules and regulations adopted by it under the statutes conferring upon such boards the power to remove all nuisances, sources of filth and causes of sickness within the town. In *Lerner* v. *City of Delavan*, 233 N. W. 608, the ordinance upheld by the Supreme Court of Wisconsin forbade the keeping of a junk yard without a permit from the city council, to which the charter gave the power "to license and regulate . . . keepers and proprietors of junk shops and places for the sale and purchase of secondhand goods, wares and merchandise." In each of these cases the objection was raised that no rules or regulations creating a standard were prescribed upon compliance with which permission might be obtained and that, therefore, the ordinance in question was arbitrary and discriminatory and consequently void.

It is universally held that businesses which are plainly nuisances in populous districts may be restrained or prohibited subject to the discretion of the local law-making body to which the statutes commit the regulatory power. In all three of the above cases, the ordinance regulated the maintenance of businesses which the law recognizes as legitimate but of such a nature that they may become nuisances in congested localities. Such businesses are subject to regulation under the local police power, whether such power is expressly delegated or implied from a general grant. The ordinance may fix a standard of conduct compliance with which will entitle the owner to a given use of his property, but on the other hand the local law-making body may, if it sees fit, prohibit the use, reserving to itself the exercises of its discretion in individual instances as they may arise. The exercise of the power of regulation by this latter method is subject only to the constitutional limitation that the discretion shall be reasonably and not arbitrarily exercised (*Yick Wo* v. *Hopkins*, 118 U. S. 356; *Fischer* v. *St. Louis*, 194 U. S. 361). In each of the three above cases, the secondary question before the court which determined the issue was whether sufficient evidence had been introduced to overcome the presumption that the discretion of the council or board of health had been reasonably exercised in the given instance.

These cases do not contravene the general rule that police ordinances, penal in their nature or regulating the exercise of a common right must set up a standard of conduct for the guidance of individuals, a rule which follows from the fundamental principle that all powers delegated to municipalities must be reasonably exercised. Thus, while the control of traffic on the public highways must be exercised by passing local laws establishing regulations (See *McConville* v. *Jersey City*, 39 N. J. L. 38 and the recent Virginia case of *Thompson* v. *Smith*, 154 S. E. 579), the use of the streets for non-street purposes as for assemblies or for moving buildings may be prohibited or made subject to the discretion of the authorities (*Love* v. *Judge of Recorder's Court*, 128 Mich. 545; *Wilson* v. *Eureka City*, 173 U. S. 32).

The apparent conflict in the authorities on this subject is largely due to the varying scope of the police power of the state as indicated by its legislation. In recent years the tendency of legislation has been to greatly expand the scope of the police power, and the powers of municipalities either by specific delegation or by implication undergo a corresponding expansion which the courts are bound to recognize. (*Euclid* v. *Ambler Realty Co.*, 272 U. S. 365; *Commonwealth* v. *Parks*, 155 Mass. 531). See, also, *City of San Antonio* v. *Rubin*, 42 Fed. (2d) 107.

✣

Schools and School Districts—Extent of Power to Prescribe Qualifications of Teachers.—The Supreme Court of Washington in *Seattle High School Chapter* v. *Sharples*, 293 Pac. 994, affirmed a judgment refusing to grant an injunction to the plaintiff, a local chapter of the American Federation of Teachers, to restrain the directors of Seattle School District No. 1 from enforcing a resolution adopted by the board, to the effect that no person while a member of the American Federation of Teachers shall be employed or continued in the employ of the district and that any person before being appointed a teacher shall be required to sign a declaration stating that he or she is not and will not become a member of the Federation during the term of the contract.

The court holds that under the plenary power delegated to the district "to adopt and enforce such rules and regulations as may be deemed essential to the well-being of the schools," the board has the power to fix the terms of the contract it may enter into with those seeking employment as teachers. As the statutes of Washington limit the term of employment in all cases to one year, no question of the invasion of existing contract rights was involved. The decision of the court was rested upon the doctrine of freedom of contract and the delegation of plenary power to the board to fix the qualifications of teachers.

Whether the powers thus delegated to the board are subject to be exercised reasonably and with due regard to the reasonable freedom of conduct of the employee may be open to question. Upon this point the opinions of eminent justices of the Supreme Court have often differed. While such doubts exist, the remedy is by legislation restricting the power of school boards to make such regulations. It is to be noted, however, regulations similar to those of the Seattle board have been upheld in Illinois and Ohio (*People ex rel. Fursman* v. *Chicago*, 278 Ill. 318, 116 N. E. 158 and *Frederick* v. *Owens*, 35 Ohio Cir. Ct. R. 538). Such examples of arbitrary action by local school authorities are a strong argument in favor of statutes creating a central administrative control over schools and prescribing the qualifications and tenure of the teachers.

✣

Special Assessments—Ad Valorem Taxes for Public Improvement not Based on Special Benefits.—In a decision handed down January 5 the Supreme Court held that no rights guaranteed by the federal constitution were invaded by the erection of special improvement districts by a state and the imposition of the cost of the improvement on all the property, real and personal, within the district upon an ad valorem basis (*Memphis and Charleston Railway Co.* v. *Pace*, 51 S. Ct. R. 108). The Supreme Court of Mississippi had held that the district had been validly created, a decision on state law binding upon the federal courts. The district was created as a permanent agency of the state with continuing authority to provide and maintain suitable highways. The only question before the court, therefore, was whether the tax thus laid was so arbitrary or discriminatory as to come within the inhibitions of the Fourteenth Amendment. The contention of the plaintiff was that the roads for which the special tax was assessed would be of no benefit whatever to it. The court held that the tax was a general one, spread over the entire district upon an ad valorem basis, and, therefore, its validity did not depend upon the receipt of any special benefit by the taxpayer.

The protection of the Fourteenth Amendment can be invoked against a tax imposed by a state agency, acting under a delegated power, only if it be palpably arbitrary (*Houck* v. *Little River District*, 239 U. S. 254; *Valley Farms Co.* v. *Westchester*, 261 U. S. 155) or manifestly and unreasonably discriminatory (*Gast Realty Co.* v. *Schneider Granite Co.*, 240 U. S. 55; *Road Improvement District* v. *Missouri Pacific R. R. Co.*, 274 U. S. 188).

✣

Torts—Statutory Liability of School Districts.—In *Morris* v. *Union School District*, 294 Pac. 998, the Supreme Court of Washington reversed a judgment of the lower court which had sustained a demurrer to the complaint, demanding damages for injuries sustained in a football game. The complaint alleged that the plaintiff while in a weakened physical condition was ordered by one of the teachers, acting as a coach with the knowledge and consent of the school directors, to participate in a game in which he suffered severe and permanent injuries.

The decision that the complaint stated a cause of action is supported by previous decisions based upon the local statute, holding a school district liable for the injuries to pupils caused by negligence of the teacher in charge of athletic activities (*Howard* v. *Tacoma School District*, 88 Wash. 167, 152 Pac. 1004; *Bruenn* v. *North Yakima School District*, 101 Wash. 374, 172 Pac. 569). Similar decisions have been rendered in California, which also has a statute imposing liability in tort upon school districts. In New York in the absence of statute school districts are held liable for injuries to pupils resulting from failure of the board itself to exercise due care in the selection and care of apparatus which the pupils are compelled to use or in the supervision of a school building (*Herman* v. *Board of Education*, 234 N. Y. 196, 137 N. E. 24; *Lessin* v. *Board of Education*, 247 N. Y. 503, 161 N. E. 160), but not for injuries resulting from negligence of teachers who without authorization of the board undertake the direction of athletics (*Katterschinsky* v. *Board of Education*, 215 App. Div. 695, 212 N. Y. S. 424). In England the common law liability of public agencies of the state is extended to cover injuries to pupils resulting from the negligence of teachers (*Smith* v. *Martin*, 2 K. B. [1911] 775, Ann. Cas. 1912A, 334). The enactment of statutes similar to those in Washington and California is being strongly urged and should be approved as an advance step in social legislation.

✤

Zoning Ordinances—Effect on Existing Restrictions.—The effect of the adoption of comprehensive zoning ordinances upon restrictions previously imposed by eminent domain was before the Supreme Court of Minnesota in *State ex rel. Madsen* v. *Houghton*, 233 N. W. 831. The court held that the later comprehensive zoning ordinance did not relieve any property already restricted by condemnation of the proposed use. The method of condemnation for restriction of use adopted in Minnesota in 1915, while declared to be constitutional (144 Minn. 1) was found unsatisfactory and zoning statutes were enacted in 1921 and 1923, which were upheld by the state courts and by the Supreme Court (273 U. S. 671). The case is in accord with the decisions that hold that restrictions imposed by private covenants are not affected by zoning ordinances.

✤

Zoning—Right to Continue Non-conforming Use in Restricted Districts.—In *Jones and Jones* v. *Los Angeles*, decided December 31, 1930 (reported U. S. Daily, February 2, 1931) the Supreme Court of California holds that the comprehensive zoning ordinance of that city excluding sanitoriums from certain restricted districts is invalid so far as it applies to such institutions already lawfully established and in operation at the time the ordinance was enacted. The opinion of the court by Judge Langdon points out that under the evidence in the case the business conducted by the plaintiffs was in no sense a nuisance and that its exclusion, therefore, cannot be justified under the zoning power. In holding that the plaintiffs were entitled to an injunction against the threatened enforcement of the ordinance, the court follows the great weight of authority in this country, that a use actually instituted lawful in its inception and actively and constantly maintained may not be put an end to without compensation by the enactment of zoning ordinances. The reader may be referred to the opinion of the court for an exhaustive list of authorities sustaining its conclusion.

PUBLIC UTILITIES

EDITED BY JOHN BAUER

Director, American Public Utilities Bureau

ST. LAWRENCE POWER DEVELOPMENT

The most important recent event affecting public utilities is the report of the St. Lawrence Power Development Commission, presented to the legislature and the governor of the state of New York on January 15. The following summary may be made of the fundamental points established by the report:[1]

(1) The St. Lawrence power project is feasible as an engineering proposition, at an aggregate cost of about $171,000,000. It would provide a maximum of 2,200,000 h.p., half of which would be available to the state of New York.

(2) There would be advantage in public development and operation, including not only the dam, spillways and generating plant, but also the new high tension transmission lines needed to reach the principal centers of electric consumption in the state.

(3) There will be an adequate market in the state to absorb the entire St. Lawrence output, and the power may be transmitted economically to the city of New York as well as to every other important load center.

(4) The direct economic saving in developing St. Lawrence power, instead of an equivalent of steam power, would amount to from $5,000,000 to $12,000,000 a year—covering operating expenses, maintenance, renewals, interest on investment and amortization.

(5) The best interest of the state would be served if St. Lawrence power were combined with the other power resources of the state, so that the entire St. Lawrence output would be used continuously as supplied, and that the variation in load or demand would be provided by other sources—by steam or regulated interior water power.

(6) The transmission and distribution of St. Lawrence power would be most economically effected through the existing utilities (except as to new high tension transmission lines from the plant to the chief load centers), provided that suitable contracts be attained by the state with the distributing companies to protect the consumers—so that the rates shall not exceed the cost of generation and the reasonable additional cost incurred by the companies for final transmission and distribution.

(7) If satisfactory contracts cannot be made with the utilities for the final transmission and distribution of St. Lawrence power, an independent state system may be economically developed, but at reduced economy or advantage to the state at large.

LOW COST POWER

The St. Lawrence offers possibilities of extraordinarily cheap power. The engineering board presented a plan which would eliminate practically all the hazards of construction, at an aggregate cost far below previous estimates. The plant would be located at Massena Point, at the international boundary. The spillway and generating plant would be located on what is now dry ground, and the dam would be constructed after the river has been diverted through the spillways. All the work would be so synchronized as to make operation possible within five years.

There would be a single dam which would provide for a maximum head of about 85 ft. This would provide for a possible two-step development, so that plant operation could begin at a 50-ft. head, making about 600,000 h.p. available, at an estimated cost of $90,000,000. The second stage would bring the dam up to the full load, and would provide for a total capacity of 2,200 h.p. at an aggregate cost of about $171,000,000. The average annual horsepower available would come to about 1,900,000, and the so-called firm capacity, which can be counted upon during periods of low water, would amount to about 1,400,000 h.p. There would be two generating stations, one owned by the state of New York, and the other by the province of Ontario, so that all the costs and generating capacity would be divided equally between the two.

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[1] The complete report consisted of four parts: (1) the formal report of the commission itself; (2) the engineering report, (3) the marketing report, and (4) the legal report. These four documents are printed together in a single volume.

The commission consisted of Robert Murray Haig, chairman; Julius Henry Cohen, Thomas F. Conway, Frederick M. Davenport and Samuel L. Fuller.

The engineering board consisted of Lieutenant-General Edgar Jadwin, chairman, Oscar G. Thurlow and Silas H. Woodward. The marketing board consisted of Col. John P. Hogan and Dr. John Bauer. The legal staff consisted of Kenneth Dayton, W. Charles Poletti and A. Mackay Smith.

The aggregate cost of $171,000,000 includes the entire cost of the dam, which would be needed also for navigation, if and when the joint navigation program is carried out by the United States and Canada. The dam would be needed either for power or for navigation, and thus constitutes a joint cost which should be finally allocated upon a fair basis between power and navigation. Upon such allocation, the total capital charge to power would be materially reduced, and would probably not exceed $130,000,000. There may, however, be also additional costs to cover riparian rights for which no allowance was made in the estimates.

On the basis of present estimates, which do not provide for any allocation of the joint costs to navigation, the annual costs to New York for power at the site would amount to about $6,560,000. This would include interest at 5 per cent on the investment, amortization, maintenance, renewals and the cost of operation. On the basis of aggregate output of firm or constant power, produced continuously or at 100 per cent load factor, the cost at the station would come to about 1.4 mills per kwh. for a total of about 5,000,000,000 kwh. This does not include an average of about 1,500,000,000 kwh. a year of so-called surplus or irregular power available in addition to the minimum stream flow. On the basis of the total available current, including surplus, the average cost would come to only about one mill per kwh. This is extraordinarily cheap, and would make possible the development of large, continuous process industries at the site of the plant. There is here the making of a new and very important industrial center near the plant.

For St. Lawrence power to reach the present industrial and population centers of the state requires the construction of major transmission lines to points where the power may be passed on to existing transmission lines. The additional costs, including interest, amortization, maintenance, renewals and operation, would have to be added to the generating costs at the site, to determine the cost of power delivered to other parts of the state. The aggregate cost, including major transmission, would amount to about 2.8 mills per kwh. at Syracuse at 80 per cent load factor, or 2.2 mills at 100 per cent load factor. For delivery in New York City, the cost would be near 4.5 mills per kwh. at 80 per cent load factor, and near 4 mills at 100 per cent load factor.

COMPARED WITH STEAM COSTS

The direct economic advantage of the St. Lawrence project to the state as a whole depends upon the difference in cost in furnishing wholesale St. Lawrence power, as against an equivalent supply of steam power. The aggregate utility use of the state will probably increase at the rate of nearly 1,000,000,000 kwh. a year. If St. Lawrence power is not developed, then there must be a correspondingly greater construction of steam plants. The basic question of cost, therefore, is, how much cheaper would be future production of St. Lawrence hydroelectric power, compared with future provided steam power?

There is a distinct margin of advantage for St. Lawrence power. At the site of the plant for continuous process industries, the advantage is maximum, and would amount to about 3 mills per kwh. In the interior of the state, as represented by Syracuse, the advantage would be reduced to about 1.5 mills per kwh. because of the requisite transmission. This would be further reduced as the distance of transmission is increased, and would come to less than ½ mill per kwh. for the city of New York. Here the computed margin becomes so small that it may easily be overcome by future development in steam generation.

Among the marketing problems will be the transmitting of St. Lawrence power to New York City. It is assumed that operation could start in 1937. If by that time there were a sufficient market to absorb the entire St. Lawrence output at the site and in upstate load centers, it would not be economical to transmit to New York City. Since the latter, however, by 1937 will probably be connected by private transmission lines with upstate power resources, it will doubtless prove feasible to transmit a considerable proportion of St. Lawrence power during the earlier years to New York City, until the upstate markets are sufficiently developed to absorb the entire St. Lawrence supply. The New York City transmission lines would then later be available to furnish peak power from the interior water powers, and would thus economize New York City steam investment, which otherwise would be needed merely for local peak requirements for short periods of the year. This coördination of power resources is one of the principal economic features that may be extensively developed through the St. Lawrence development.

COÖRDINATION OF POWER RESOURCES

The state now has an annual generation of about 5,000,000,000 kwh. from interior water power. A large proportion of this power is subject to regulation, so that it can be used at any time to supplement steam and unregulated water power such as the St. Lawrence. As part of a comprehensive state plan, these regulated water powers should be used principally to meet peak requirements, so as to obviate construction of steam plants to meet short periods of use. The St. Lawrence output should be utilized continuously as available; it cannot be regulated to any considerable extent. The ordinary variation in demand above the St. Lawrence output should be supplied with steam plants located in appropriate load centers, and the exceptional peak demands would be supplied by the regulated interior water power. Such coördination would result in maximum economy for the state, and all power resources would be developed with relation to the total output available from the St. Lawrence.

This state-wide coördination is readily attainable if St. Lawrence power is turned over to the private utilities for distribution in the various localities and for the various needs of the state.

CONTRACTS FOR DISTRIBUTION

Because of the conditions thus presented, the commission recommended that the proposed power authority should enter into contracts with present companies for the final transmission and distribution of St. Lawrence power. This recommendation, however, was distinctly predicated on the provision that reasonable terms will be included in the distribution contracts for the systematic protection of the consumers, particularly the households and the farms of the state.

The marketing report set out particularly the possibilities of stimulating utilization with the institution of properly designed rate schedules along promotional lines. It pointed out that the present domestic use averages for the state less than 40 kwh. per month per customer, and might be readily increased threefold, or up to 120 kwh. It showed also how rural electrification may be extended and average farm consumption greatly stimulated through proper rate schedules. The gradual expansion of use results in lower average distribution costs per kilowatt hour delivered. The economies thus realized should be systematically computed and passed on to the general consumers. The contracts should thus provide not only for immediate revision of rates so as to pass to the consumers the benefit of cheap St. Lawrence production, but also to pass on systematically in the future, on a definite cost basis, the further economies realized through the promotion of use based upon St. Lawrence contract supervision.

The omission assumed that such reasonable contracts can be attained. The marketing report, however, set out the difficulties that would be encountered, and pointed particularly to the chief hurdle—the present distribution costs and rates of the companies. St. Lawrence power would be carried over the same distribution plant with all other power; so, obviously, the same rates, and the same basis of rates, would have to be provided for the entire business. To fix the distribution costs allowed under the contract for the delivery of St. Lawrence power would apply also to all other current distributed over the same plant by the same organization. The question is, whether the companies will be willing to accept the rates for their entire business that would be acceptable to the state for the distribution of St. Lawrence power.

DISTRIBUTION COSTS

The sheer economy of water power over alternative steam costs never amounts to more than a few mills per kwh. This saving is relatively insignificant in the normal domestic schedules, which usually run to 8 cents per kwh. and over, for the ordinary user. These high rates are due primarily to distribution costs, to excessive overheads, and to unwarranted returns on distribution properties—generating costs are a minor factor. The job, therefore, of getting reasonable rates involves not only low-cost generation, but particularly low-cost distribution. It is in this field where the costs are most uncertain, and where regulation has been least effective.

If the system of state regulation were adequate and could be readily applied throughout to all classes of costs, there would be no difficulty in the distribution of St. Lawrence power—or in any other large hydro-electric project. It is the absence of effective regulation that has made contracts between the state and the distributing companies necessary. The question, however, arises whether the companies will be any more willing to accept workable standards through the medium of contracts than through the process of general state regulation.

WHAT ALTERNATIVE?

If New York does not succeed in getting contracts that are reasonably satisfactory from the public standpoint, then the state must naturally look for an alternative plan of distribution. The marketing board reported that an independent system could be worked out and made financially self-sustaining, but that this would be at a greatly reduced advantage to the state at large. Such an independent plan would probably use a larger proportion of the St. Lawrence output at the site for continuous process industries, and over a period of years would develop a competitive distribution area within economical transmission distance.

HURDLES TO PUBLIC DISTRIBUTION

American admirers of the Ontario hydro-electric system are, unfortunately, limited in their efforts to duplicate in New York, or elsewhere in the United States, the Ontario form of organization. In New York the St. Lawrence development would furnish immediately a large amount of power for the state agency, but that is only a starting point. The difficulty is that there are already wide ramifications of private transmission lines, and that practically throughout the local distribution systems are owned by the companies. Before a comprehensive publicly-owned and operated system can be put into effect, it would be necessary either to purchase the existing privately-owned properties, or to acquire them by condemnation, or to build competitive plants—and as a prior step it would be necessary to create legal authority and to arouse local interest in every municipality to institute municipal distribution.

To bring about such a state-wide system of publicly-owned and operated properties is, at best, an herculean job. It would require time and enormous effort, and would result in duplications of costs. In the face of this situation, there can be little doubt but that the most economical course would be for the state to utilize the existing companies for the distribution of St. Lawrence power—but, always, provided that reasonable contracts can be achieved!

THREE-PART PROGRAM

But even if such contracts are attained, the public development of St. Lawrence should be regarded only as one part of a three-phase policy, to the end of establishing low rates and making extensive electric utilization attainable for ordinary households. As a second part, it will be highly desirable or necessary for the state to clarify and make effectual its system of regulation. Not all the companies can be reached by St. Lawrence contracts, but all consumers of all utilities are entitled to the protection of the state for reasonable rates and for the attainment of modern use of electricity and other utility services.

As a third part, it will be highly desirable for the state to grant full permission to every municipality to institute public ownership and operation, particularly of the local distribution system. At the present time there are about 50 municipalities, mostly smaller cities or villages, that own their own distribution plant, and, on the whole, have effected remarkable results—which will be surveyed later in this department.

NOTES AND COMMENTS ON MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER

The Stockholm Statistical Bureau.—The *Statistisches Amt der Stadt Berlin*, under the direction of Dr. Büchner, is well known to students of continental local government. An equally distinguished bureau, the *Stockholm Stads Statistika Kontor*, is less familiar to American students.

The bureau was founded as an independent service in 1905, although statistical records had been maintained since 1868. The first report, published in 1870, contained a statistical résumé for the preceding biennium, and certain important data for as far back as 1864. The 1930 compendium represented, therefore, the completion of over sixty-five years of statistical recording.

A distinguishing feature of the work of the Stockholm organization is that, in addition to the annual statistical records, the reports have contained from time to time the annexes prepared by commissions of the municipal council, and are hence records of the municipal "surveys" which frequently are a continuing part of local government abroad. It should be mentioned that the work of the bureau constitutes in most cases the basic data for these investigations of local administration.

The law establishing the bureau confers upon it the rather broad function of "collecting, arranging scientifically, and publishing the statistics appropriate to explaining and illuminating communal life, administration, and social and economic conditions in the city of Stockholm." In pursuance of these duties, the *Kontor* actually has prepared and published continuously the annual statistical reports, the yearly report on the administration of Stockholm, a monthly statistical bulletin, a weekly bulletin on sanitary statistics and conditions, as well as frequent bulletins on public health, public assistance, fire and ambulance data, employment statistics, commerce and navigation, industry and commerce, electoral statistics, housing and lodging statistics, and thirteen special studies not classified above.[1]

The non-statistical publications of the bureau include an annual roster of municipal functionaries and employees, supplemented by a record of the phases of administration not amenable to statistical treatment. The *Kontor* prepares also the record of communal ordinances and laws for the year, as well as an annual compilation of the more important laws in force.

A third type of publication of the bureau, in addition to the statistical studies and the communal manuals, is the miscellaneous group. This may be illustrated by the bureau's study, published in 1913, of the development of Stockholm under the communal ordinance of 1862—one of the best extant treatises on the government of a city, to be compared only with the Royal Commission's study of London, Lavallée's *Paris*, and Beard's *Tokio*.

The more important results of the development of this type of organization are perhaps obvious. While not operating as a bureau of general administration by which the executive exerts supervision and control over the administration, the *Kontor* is the repository of the basic information essential to such control. In addition, it enables the administrative officers to compare their accomplishments with their objectives, and to see themselves as a part of the administrative organism. In this connection, the bureau is able to provide information for comparison and criticism of local projects and expenditures on the basis of experience and costs in other great cities throughout the world. This is possible because it exchanges its publications with similar reports of the governments of other cities. It is thus a clearing house for ideas and facts on every phase of local government and administration. Centralization of statistical and recording work made this possible.

The bureau is under the direction of a board of seven members, appointed by the council. The board selects the director, who is at the present time Dr. J. Guinchard. The organization is divided into seven divisions. The employees of the bureau number about 50 persons.

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[1] The importance of the collection of material of this nature has been very graphically illustrated in many surveys of local government in the United States, and nowhere with more clarity than in the New Jersey survey, a review of which is shortly to be published in this REVIEW.

This is a phase of local administration which has received scant attention in American city government. It is apparent, at the same time, that the city's record of development can be kept in no other way. Such a bureau should be an integral part of the effort of any municipality to place its administrative "program," so-called, on something less variable than a purely opportunistic basis.

It should be mentioned that the anniversary publication of the *Kontor* contains an excellent French summary.—*Stockholms Stads Statistika Kontor*, 1905–1930 (brochure).

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Public Servants in Great Britain and Germany.—Two interesting compilations of the statistics of public employment have recently appeared. While the two reports are not comparable in details, there are numerous phases of general similarity.

The British statistics are for only the civil service, and exclude local government officers and employees. The civil service, used narrowly as defined by the provision of 1887 which accepted the classification established by the Pensions Act of 1859,[1] is comprised of 434,000 functionaries, classified as follows:

1. Public works employees (marine construction, arsenals, industrial work of the post office, etc.) 122,000.
2. Public attendants, employed chiefly by the post office, 178,500.
3. Messengers, porters, etc., 16,500.
4. All other grades (executive, professional, scientific, diplomatic, consular, etc.) 117,000.

To the total of 434,000 must be added 205,000 employees who do not qualify under the provisions of the Pensions Act, of whom 53,000 are part-time workers. This gives a total of 639,000 persons, excluding the military, in the service of the national government, or almost 1.45 per cent of the island's population. Included in this list are, of course, several thousands of colonial administrators, and the percentage is, therefore, slightly overstated. It is interesting to note that almost one-fourth of the members of the central services are women. The women employees of the American federal government under civil service number less than one-fifth of the total. Our civil service includes less than one-half of one per cent of the population, but this figure is not comparable for a number of reasons. The British civil service includes a larger percentage of governmental employees than our own, it includes the colonial administrators, and it includes the officials who perform most of the functions administered by the states in America.

The statistics for the *Deutsches Reich* comprehend national, state, and local governments of cities with more than 2,000 inhabitants. This is virtually the whole of the German public service, inasmuch as there are few paid municipal officials in the smaller communities.

Excluding the military, there are 925,718 employees of the governmental units noted above. They are classified as follows:

Reich	121,509
States	367,822
Cities (excluding Hanseatic)	395,530
Hanseatic cities	40,887

Of particular interest are the statistics for the German states. The detailed tabulation of state employees is given:

General administration	34,374
Police	121,401
Justice	69,702
Public instruction:	
Administration	2,463
Primary (volks- and mittleren)	69,127
Secondary and technical	38,710
Welfare and health	8,229
Agriculture, commerce, and industry	10,431
Transports	7,424
Tax and finance administration	5,961

These statistics, too, are dangerous for comparisons. The whole administrative structure in Germany has undergone rigorous rationalization within recent months, and it is possible that many services are, due to the lack of resources, undermanned. Too, the *Reich* Government is highly decentralized, and the states are performing, under its supervision and control, many functions for which it is itself responsible. Finally, the functional allocations in Germany between state and local governments are somewhat different from our own. Two comparisons are essayed, however, and should be taken *con*

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[1] The Pensions Act excludes from the Civil Service Crown appointees, and those whose remuneration is fixed directly by Parliament. A subsequent amendment excludes all who do not enter the service by certificate of the civil service examiners.

granule du saline. These are police and education, and are selected from the available statistics because they are functions in which personnel costs form a considerable part of the total, and because they are probably the least effectively and most wastefully administered functions in American cities today.

	Per 1,000 Population	
	U. S.	*Germany*
Police	1.237[1]	1.947
Education	6.885	4.608[2]

Again generalizations are unsafe, but it would appear not too much to say that the Germans are doing rather a better job with fewer employees in the educational field, assuming the validity of the prevalent critical attitude, on the part of many non-educators, toward the results of American elementary and secondary public education. The difference in criminal statistics, too, probably is not adequately explained by the slightly heavier police percentage of the Germans, and it is quite possible that in this field also they are, man for man, doing a better job. —*Introductory memoranda relating to the Civil Service,* 1930 (Royal Commission Report); Personalbestand der öffentlichen Verwaltung im deutschen Reich, 1930, an annex to *Wirtschaft und Statistik,* No. 6, 1930.

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"Safety First" Results in British Isles.—The National Safety First Association of Great Britain is a quasi-governmental corporation. Like, for example, the American National Board of Fire Underwriters or the Red Cross, it has become largely responsible for many basically governmental functions.

Since the recently adopted road traffic act accorded recognition to the association's semi-public character by permitting local authorities to contribute toward its expenses without the prior permission of the ministry of health, the *Municipal Journal* reviews the recent accomplishments of an organization elevated to the status of a governmental adjunct.

From 1921 to 1925 the motor accident rate in England rose steadily from 35 to 43 per 1,000 motor drivers. With the beginning of the motor accident phase of the society's work, the increase was halted, and the 1925 level has been maintained with only minor variations since. In 1925 there were 82,778 accidents and 1,932,900 drivers. Had the accident increase rate of 1925 been maintained there would have been in 1929 more than 137,000 accidents. There were actually less than 117,000.

Equally striking are the reductions in street accidents not accounted for under the heading of motor vehicles. Annual figures since 1921 follow: 1921, 6,183; 1925, 17,258; 1928, 4,219.

The most arresting accomplishments in prevention for particular cities probably must be recorded for Edinburgh. "While in Great Britain as a whole accidents increased between 1925 and 1929 by 33 per cent, in Edinburgh they decreased by 42 per cent. Had Edinburgh's accident rate increased side by side with that of the rest of Britain, the total for 1929 would have been 2,400. It was 1,138. . . . For every five accidents that happened, seven were prevented."

It is impossible, of course, to attribute this substantial showing entirely to the efforts of the society. At the same time it is the sole organization in England performing this function. The complementary efforts are probably even more disorganized, ineffective, and casual than are our own "safety" programs.

This is a phase of administration which has received considerable attention in the United States. The Federal Children's Bureau, the schools, and various organizations engage in periodic efforts to encourage care. State regulations regarding the licensing of drivers, the testing of headlights, brakes, etc., while lacking in uniformity have, on the whole, been effective. In 1927 there were 21,160 automobile fatalities in the United States; in that year England had only 5,500. But there are 4.6 persons per automobile in the United States, and approximately 33 per auto in Great Britain. From a statistical point of view American streets seem safer. This is in spite of the fact that the small Austin, the English Ford, cannot possibly be regarded as lethal. Here at least is some compensation for a vastly less favorable homicide rate.—*The Municipal Journal,* January 30, 1931.

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[1] This figure is only an approximation, and was compiled from the figures of about 700 cities coöperating in the compilation of uniform crime statistics.

[2] This is an adjusted figure, and is probably much too high.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY RUSSELL FORBES

Secretary

Recent Reports of Research Agencies.—The following reports have been received at the central library of the Association since January 1, 1931:

Bureau of Governmental Research, Chamber of Commerce, Chattanooga, Tenn.:
Possible Improvements in the City's Accounting System
The Proposed Establishment of a City Board of Education
A Proposed City Purchasing Ordinance
The Organization and Financial Procedure of the Hamilton County Highway Department
Bureau of Governmental Research and Service, University of Kansas, Lawrence, Kansas:
Legislative Procedure in Kansas
Municipal Reference Bureau, Cincinnati, Ohio:
Gasoline and Oil Pipes under City Streets
Bureau for Research in Government, University of Minnesota, Minneapolis, Minn:
The Administration of Workmen's Compensation in Minnesota
Rochester Bureau of Municipal Research:
Report on the Cost of Administration of Criminal Justice in Rochester, N. Y.

*

California Taxpayers' Association.—The Association is sponsoring the passage of a number of bills by the California legislature. These bills will increase the economy and efficiency of California's governments. The following bills have been introduced in the legislature:

Reducing the maximum term of school bonds from forty to thirty years, and the maximum rate of interest which may be paid from six to five per cent, and providing that all premiums and accrued interest must be placed in the sinking fund;

Authorizing county school superintendents to maintain repair departments for the convenience of school districts;

Providing for the broadening of the centralized purchase of school supplies act to include high school districts outside of chartered cities;

Compelling county boards of supervisors to include in some high school district any elementary school districts not now in a high school district;

Raising the minimum number of pupils for which an elementary or union school district may be maintained from five to ten pupils, and for which high school districts may be maintained from ten to twenty-five pupils;

Providing an adequate system for the complete industrialization of California's state prisons without competing with free labor or private industry;

Remedying some of the evils of the special assessment situation in California by providing a debt limitation, adequate preliminary investigation and report thereof to the property owners, together with protest powers by property owners sufficient to halt any proposed project;

Legalizing the photographic method of recording public documents by the counties of California.

The study of the University of California has been completed and has come from the press.

*

Cincinnati Bureau of Governmental Research.—John B. Blandford, Jr., director since its reorganization in June, 1926, resigned his post the first of this year to become director of public safety of the city of Cincinnati. Mr. Blandford has been succeeded by Calvin Skinner who has been associated with the Bureau for the past year.

The Bureau has effected a complete reorganization of the business administration of the school system. A study is now under way which will reorganize the function of maintenance and operation and provide for the important activity of housing research. Recommendations of new policies and methods for the general control of lunchroom operations have been made.

A regional police survey has just been completed by the Bureau, with Bruce Smith as consultant, in coöperation with the Cincinnati Regional Crime Committee. This survey covers police problems of the region and contains recommendations which will improve police administration through the coöperation of the municipalities in the region.

With the assistance of George B. Buck, consulting actuary of New York City, the Bureau has completed an analysis of the two existing police and fire retirement funds and a proposed fund for general employees.

The program of research for the year 1931 is one primarily of county government. There has been a request for the making of a complete survey and study to include: reappraisal, accounting, tax billing, budget procedure, personnel, county commissioners' office, county hospitals, regional police administration and regional government.

⁂

Bureau of Governmental Research and Service, University of Kansas.—The Bureau is now directed by Frederick H. Guild, chairman of the department of political science. The name was changed from Municipal Reference Bureau in 1929 and the supervision was transferred from the extension division to the department of political science.

⁂

New Mexico Taxpayers' Association.—Rupert F. Asplund, director, relinquished his duties as state comptroller early in January and is now devoting all his time to the activities of the Taxpayers' Association. During the month of January the Association's efforts were concentrated upon the preparation of the material for the state budget, Mr. Asplund acting as the governor's budget director for this purpose. During the next few weeks the Association's staff will act in an advisory capacity to those committees of the legislature which have to do with public revenues and expenditures. All bills on such subjects are carefully analyzed for the benefit of those members of the legislature who desire such information.

⁂

Schenectady Bureau of Municipal Research.—As a result of its study of the problem, and after conferences with city officials, the Bureau has transmitted a report recommending the abandonment of the present garbage reduction plant and the purchase and installation of an incinerator to burn mixed rubbish and garbage. In the report emphasis was placed upon the establishment of a bureau of sanitation under the direction of a permanent, technically trained man under civil service regulation. This bureau of sanitation would coördinate all sanitation or waste disposal activities in one department.

The Bureau has recently appointed a committee to examine and report on a new plan of assessing for sewer improvements, proposed by the city engineer. This plan comprises a flat rate on a front foot basis for all sanitary sewers and a smaller flat rate for all storm sewers. It has been the general policy of the city during the past few years to bear the burden of all sewers twenty-four inches or more in diameter and to assess the property owners for all costs of sewers under that size. The proposed plan appears to be more equitable and easier to administer than the one now in effect.

NOTES AND EVENTS

EDITED BY H. W. DODDS

Proposed Change in Wisconsin Primary Law—Governor La Follette, in his message to the legislature on January 15, made one unemphatic suggestion which has attracted more attention than many reforms to which he attaches much more importance. The proposal to declare finally elected to an office any candidate receiving a majority of the votes in a primary and, if no candidate receives a majority, to limit the contest at the general election to the two recipients of the highest number of votes, springs from the unique character of Wisconsin politics.

Wisconsin is a one-party state: that is, her citizens are nearly all Republicans, though the adherents to left and right wing are as partisan as "Democrats" and "Republicans" in other states. A Wisconsin Democrat has been defined as a Republican dissatisfied with the results of the primary. So that the Democratic party always chooses its candidates in the primary in the hope of receiving the disgruntled votes of the "Stalwart" Republicans in case a "Progressive" Republican is chosen, and vice versa.

The Wisconsin primary law has had one feature from the start—the open primary—which cultivates independent voting. Citizens, though they may vote in but one party, are handed a ballot for each party from which to choose one for marking, without publicly declaring a party preference.

In 1926, as the two candidates receiving the highest number of votes for governor, Ekern and Zimmerman, were both Republicans, Ekern was eliminated from the general election. In the legislature of 1927, a bill was sponsored by Mr. Ekern for a new primary law having the "majority election" feature and providing for a new style of ballot to permit a choice among the parties for each separate office.

In 1929, the bill once more failed of passage, and not until this year did it receive more than cursory attention. The minority parties have made indignant protests, and opponents of the present governor have pointed out the unconstitutionality of his plan, in that the Wisconsin constitution provides that state officers must be elected in November. There is little support for the bill evident in the legislature, although the nonpartisan county election provision and the Massachusetts ballot feature are being spoken of with considerable favor. It has accordingly been modified:

1. To eliminate the possibility of a September election for state offices but to put this provision and a nonpartisan feature in force for county offices.
2. To provide for the selection of candidates through the "Massachusetts" ballot, on which voters cannot signify their choice of an entire party but must vote separately on each office.

ALICE KELLY.

Legislative Reference Library,
Madison, Wisconsin.

◆

Low Fare Zone Experiment Being Made in Cleveland.—In Cleveland, under the service-at-cost arrangement of operating our railway system, with the city in control of the service and the Cleveland Railway Company in charge of operation, we have usually found it possible to do some experimenting. It is an old idea that low rates of fare would attract short haul car riders. While this may not be found true generally over an entire system, there may be favorable locations where it would prove successful. The two primary essentials are a demand for short rides, and a frequency of service so that no time is lost between origin and destination. The time element is important, for few people will wait if they can walk to their destination by the time the next car arrives. Euclid Avenue is a general shopping and business district between the Public Square and East Eighteenth or East Twenty-second Streets, where a great many people travel back and forth in the course of a day. It is also a street with frequent car service—all suburban cars from East Cleveland and Cleveland Heights operate on Euclid Avenue.

Purely as an experiment, on July 14, 1930, a 2-cent zone was established from the Public Square to East Eighteenth Street. The regular rate of fare at this time was 8 cents cash, with 7 tickets for 50 cents. No transfers were issued at the 2-cent rate. It applied to strictly local rides only; all passengers wishing to transfer were required to pay the regular rate. In order to test the efficacy of this low rate in producing more car riders, it was necessary to know what local riding there was in this section before the 2-cent rate became effective; and again, the amount of riding afterward. The earlier check shows that there were somewhat over 3,000 local riders in this zone per day. The check made after the 2-cent zone became effective shows between 9,000 and 10,000 riders per day. This is an increase of approximately three times as many riders. Since the average fare before was 7½ cents as against the 2 cents, we were not breaking even on revenue.

On October 12, 1930, the 2-cent zone was modified and changed. The rate of fare was made 3 cents, and the zone extended from East Eighteenth Street to East Twenty-second Street. Extending the zone had little effect in producing additional car riders, since the territory from East Eighteenth Street to East Twenty-second Street is at the outer fringe of the business district and not as promising territory. The main question, then, is whether the 3-cent fare affected the riding materially. The daily record shows no immediate effect, at least for the month of October. There was perhaps a slight decline for the month of November. The average number of rides remains between 9,000 and 10,000, perhaps somewhat nearer 10,000 in October, and somewhat nearer 9,000 for the month of November.

The primary lesson in the experiment is that low fares do stimulate car riding in favorable territory. It is difficult to be exact in any statement affecting the revenue, since there are natural fluctuations in traffic, and the only basis of comparison we have was established in July, 1930, before the 2-cent fare became effective. We may say, however, that at the 2-cent rate it was not effective as a revenue measure; and that at 3 cents we are at least breaking even, or producing slightly more revenue than we would at the regular rate of fare.

A. F. Blaser.

⁂

Financial Difficulties of Detroit Street Railway.—Detroit's municipal street railway system naturally suffers from political, as well as financial, tinkering in this period of economic depression. In an industrial city, hard hit by unemployment, the street cars have lost so heavy a proportion of patronage, consisting of factory employees, that a serious financial deficit is faced by the management.

It is now clear that when the city adopted the policy of paying off the 1922 purchase price in ten years from earnings it undertook an impossible task. Until the advent of the economic depression, the city had been able to meet the annual payment of $1,000,000, as well as increasing her equity in a greatly improved street railway system. Today, however, it is clear that she will be unable to meet from accumulative earnings the final payment of approximately $7,500,000, due on December 31 of this year.

Colonel Sidney D. Waldon, recognized engineering and financial authority, who has been head of the Detroit Rapid Transit Commission since its organization six years ago, was recently appointed to a vacancy on the Street Railway Commission. Commissioner Waldon immediately began an analysis of the situation and has reported his recommendations to the mayor and council.

According to the charter, the system is to be operated independently as a private corporation, hence it is taxed by the city, county and state, and is charged for paving between the tracks, etc. The new commissioner suggests that these charges may be fair if the system is assumed to be operated as a business project, with the expectation of possible financial profit to the city. "But," he says, "if the purpose is to furnish the people with the best possible transportation at lowest possible costs, then these and perhaps other charges should be eliminated."

The total of these items paid during the last eight years, continues Colonel Waldon, is over $23,000,000. This sum, he believes, constitutes the car riders' contribution to city taxpayers. It equals all the street car and bus fares collected on all lines for a whole year. It is more than one-third of the value of the whole rapid transit system.

The street railway, Colonel Waldon believes, is as much a public service as municipal water, sewers, pavements, light, police protection or schools. It is not fair that it should be made to contribute to government revenue. Furthermore, special assessments, which are now used to meet a portion of water, sewer and pavement construction, should be employed for street railway extensions also.

Certain charter amendments along the lines of Colonel Waldon's recommendations are under consideration which may be submitted to popular referenda next fall. These would eliminate costs mentioned above and would raise the municipal bonding limit from eight to ten per cent. Heavy taxpaying interests and opponents of municipal ownership are expected to oppose any change.

The Detroit system, it is recognized, has been operated with comparative success because of its low fare and large volume of patronage. An elaborate system of buses supplements the electric trunk lines. The fare is 6 cents with an additional penny for a transfer; or 9 straight tickets for 50 cents.

W. P. Lovett.

* * *

New York Regional Plan Warns Against Subsidized Housing.—A comprehensive program of housing for the metropolitan New York region, aimed both to improve existing housing conditions and to assure proper safeguards for the future erection of dwellings for over two million additional families is presented in a report on housing published by the Regional Plan of New York.

The following are some of the major recommendations included in the proposed program.

1. The extension of transit lines, water supply and sewage systems into the open areas of the city to encourage the migration of both population and supporting industry from the congested centers, utilizing inexpensive open land and increasing the opportunity to improve the housing that must remain in the centers.

2. Legislation vesting in a city planning commission rigid control over new subdivisions, definitely limiting housing densities and requiring street systems suited to the topography and adjusted to the limited densities rather than to the highest possible densities.

3. The strict enforcement of housing and sanitary laws requiring owners to keep dwellings in a state of repair that will eliminate hazards to health and safety.

4. The demolition of all dwellings which cannot be made fit for human habitation. Reconstruction should be required to conform to adequate standards for wholesome housing, and in the older tenement areas it should be related to a new street plan. The plan should be put into effect piecemeal, as reconstruction becomes effective. New playgrounds and small parks, as well as new streets, should replace many of the hopelessly defective dwellings acquired perhaps under the power of excess condemnation.

5. The encouragement, particularly in the New York state sector of the region, of the organization of more building and loan associations, and the adoption of other measures to help finance the building of homes for individuals who at present find it difficult to secure necessary funds on satisfactory terms. New Jersey is better supplied than New York with such associations.

RESTRICT PUBLIC AID

No public aid should be given to housing on the basis of renting the dwellings at less than their market value, the report states. All new housing should be economic, in the respect that it should yield a fair return on the reasonable investment in building and land. The state and the city should, however, give financial aid in the poorest quarters of the city towards the acquisition of parks and playgrounds, the improvement of sanitary conditions, the widening of streets, and the opening of lanes through congested blocks. It should also encourage the investment of money at a low rate of interest for low-cost housing.

Housing policies in central districts should not be based on the assumption that the low-cost housing must be adjusted to the values of land instead of the reverse. So long as there are accessible areas in the city which can be acquired at a low enough price to permit of wholesome and economic housing, areas that are too dear for the purpose should not be acquired.

When public aid takes the form of financing the building of houses to rent at less than is required to meet the reasonable requirements of private investors, the report states, this eliminates private building of such houses. When rents of existing houses are artificially restricted the effect is the same. When, however, public aid is given toward the purchase of land for parks and playgrounds, or to the construction of public utilities that cannot be made self-supporting, the result is to stimulate private effort in building.

* * *

Optional P. R.—Manager Bills in the Pennsylvania Legislature.—Once again the Philadelphia city manager bill, with its provision of proportional representation at large for the election of the city council, seems likely to be a leading issue in the Pennsylvania legislature. But the political conditions under which it must make its way are strikingly different from those under which it was finally throttled in committee two years ago. In the 1929 session, the state and the Philadelphia Republican organizations, working hand in hand, had both houses of the legislature well in control. In that year it was only a temporary split in the Philadelphia organization which gave the bill a serious chance. This time an independent governor is in control of the house and failed by only two votes in his attempt to organize the senate. The bill's chance, therefore, is dependent on securing the governor's full support and a little support in addition.

Governor Pinchot's public statements on the subject have been few but favorable. Shortly before his election he said in outlining his program for Philadelphia: "Your efforts to substitute a better system providing expert business management of the city's affairs are praiseworthy. They have my sincere sympathy, and they will have my support. The plan of having a trained manager as executive head of the business of a great city has been tried with great success elsewhere. If the people of Philadelphia wish to vote on the question whether they want a city manager, they should have the opportunity to do so, and I shall do all in my power to secure it for them."

The Philadelphia City Charter Committee, which has conducted a constant educational campaign for the bill since its first introduction two years ago, has opened campaign headquarters at 237 South Broad Street and is doing its utmost to take full advantage of the present opportunity. It now has members in every one of the city's forty-eight wards and is backed by a rather impressive list of civic organizations and prominent individuals. The *Bulletin* and *Record* have been campaigning for the bill editorially and none of the papers has so far come out in opposition.

Though the bill has not yet been introduced (February 9), it is already receiving some attention in other parts of the state. The Harrisburg *Patriot* of January 27 carried an editorial on it entitled, "Out of the Wilderness," stressing particularly the benefits of proportional representation in breaking machine control. The editorial concluded: "Anything that will emancipate the Philadelphian from his political captivity is a matter of genuine interest to all Pennsylvanians."

The legislature will also have before it similar optional bills for other municipalities. At this writing only one, to make the city manager plan with proportional representation optional for all cities except Philadelphia, has been introduced.

When this bill was put in on January 27 by Representative D. Glenn Moore of Washington, leader of the Pinchot forces in the House, it was welcomed editorially by all three of the Pittsburgh papers.

Another bill, to make the manager plan optional without requiring a change in the method of electing the council, is about to go in with the backing of the state Chamber of Commerce. This bill would not affect the three largest cities —Philadelphia, Pittsburgh and Scranton.

Two bills to make the manager plan with proportional representation or P. R. by itself available for boroughs are under consideration by the State Association of Boroughs and may possibly be introduced as Borough Association measures. Boroughs are a numerous group of municipalities ranking between cities and townships.

It is still too early to predict the fate of any of these measures, but all seem to have a good fighting chance.

George H. Hallett, Jr.

*

The Municipal League Movement in Kentucky.—The Kentucky Municipal League is one of the youngest organizations of its kind in the country, yet it is possibly growing and extending its influence more rapidly than some others which have been in existence for many years. It began its existence on May 10, 1929, with eight member cities; at the present time some thirty cities are affiliated with the League, and the number is growing constantly.

The Kentucky Municipal League is sponsored by and receives the major part of its financial support from the University of Kentucky. The individual to whom most credit is due for the organization of the Kentucky Municipal League is Dr. J. Catron Jones, head of the department of political science at the university.

The officers elected at the organization meeting included Mayor C. T. Coleman of Frankfort, president; Mayor W. R. McKee of Mount Sterling, vice president; Dr. J. Catron Jones, secretary-treasurer; City Attorney M. C. Redwine of Winchester, general counsel; and Arthur J. Daley of Newport, W. C. Wilson of Lexington, and Lester Hooge of Morehead, trustees.

The first annual convention of the Kentucky Municipal League was held in Lexington on November 20, 1929, at which some fifteen cities were represented. The meeting continued for one day only, but the discussion of municipal problems was interesting and lively. The chief speaker for the occasion was Dr. Harvey Walker of Ohio State University.

Most municipal leagues publish either a monthly or a quarterly magazine, but the Kentucky Municipal League has the distinction of being the only league in the United States publishing a weekly magazine. It is a rather ambitious undertaking but the official organ of the League, *The Kentucky City*, has rounded out a year of its existence, and the future of this publication is assured. At present the magazine carries a title page, four pages of reading matter, and two pages of advertisements. Each issue contains two leading articles, a section devoted to city news and miscellaneous matters, and another section given over to the more important judicial decisions relating to municipal affairs. The editor of *The Kentucky City* is Roy H. Owsley, an instructor of political science at the University of Kentucky, and the editorial board is composed of Dr. J. Catron Jones, professor of political science, and Dr. J. W. Manning, associate professor of political science, at the University of Kentucky.

In sponsoring the league, the University of Kentucky is offering itself for any service within its capacity for the cities of the state. It does not attempt to determine the policies of the league, but simply acts as a service agency. The university is furnishing the headquarters for the league, maintaining the municipal reference bureau, and paying the salary of the director of this bureau, as well as making it possible for other members of the department of political science to devote much of their time to the work of the league. President McVey, of the university, believes that the institution should serve the entire state, and the help given the league is a companion service to that rendered by the agricultural extension division and the bureau of economic research.

Within the past few months the membership of the league has grown by leaps and bounds, until now one hundred per cent of the cities of the first class, eighty per cent of the cities of the second class, sixty-three per cent of the cities of the third class, twenty-eight per cent of the cities of the fourth class, and several of the cities of the fifth class are affiliated with the league; and all this is in spite of the fact that the league is just entering the second year of its existence.

John W. Manning.

The Southampton Civic Survey.—To those engaged in the survey movement, the Southampton Civic Survey has several features of interest. First, it is for England, an unusual case of a survey made by a voluntary body, one of whose express purposes was to collect data for the use of the town authorities in the preparation of the town planning scheme. The immediate occasion was the statutory obligation on the borough council to present to the Ministry of Health a town planning scheme. Further, the Southern Railway Company, which owns the docks, has embarked on a great dock extension scheme which will involve not only an addition of new industrial areas, but an actual shifting of the main traffic lines of the town. It was important that there should be advance consideration of the housing, recreation grounds, and other civic services needed by the influx of population to be expected in consequence of the development. In view of the urgency of the matter, the Southampton Civic Society, a non-party organization, appointed a survey committee to collect the data required for the proper consideration of these matters; the information so gained being passed on to the town authorities for their use. Thus, on important topics such as zoning, house density, and traffic, the survey committee provided basic material on which the authorities could work.

Secondly, while the majority of published English civic surveys have been essentially the work of a single expert, who controlled a number of paid and voluntary workers, the Southampton survey is the result of the team work of people who are specialists in various fields. Some of these were drawn from University College, Southampton. The survey of land utilization was undertaken by Professor Rishbeth of the department of geography; that of geology and zoölogy, by Professor Sherriffs of the department of geology and zoölogy; that of employment, housing, etc., by P. Ford of the department of economics, while the traffic census was carried through by R. Casson of the department of mathematics. The analysis of the results of the traffic census and the survey of open spaces, was made by H. T. Cook, town planning assistant of the borough council. Work on the maps was done by members of the ordnance survey office in their private capacity, while the officials of the Southern Railway and the borough council also assisted in various sections of the report.

Thirdly, the whole work of the survey has been voluntary. This ambitious attempt at a thorough team survey commenced and carried on its work with a petty cash allowance of five pounds. This has only been possible with an immense amount of voluntary service on the part of large numbers of helpers. College students, school boys, officials of public authorities and business houses and trade unionists, have all given free service. While this organized voluntary work has been a means of stimulating civic spirit the slenderness of financial resources has imposed certain limitations, the principle being that pace has been slower than if the survey had been provided with one or two full-time secretaries.

TRAFFIC CENSUS

Coming to details, the traffic census is an interesting example of the advantages and limitations of the methods used. Partly as a result of the Ministry of Transport Censuses, the use of a classification of vehicles involving over 20 different types has become common in local census work, but too often without adequate allowance for the conditions of recording. It is very difficult to record accurately so many classes of traffic in main city streets during rush hours, especially where only a single observer is used at each post. The observers and recorders were college students and school boys from the upper forms of two secondary schools. They proved themselves admirable census takers, detailed knowledge of car types being a hobby with some of them. The census itself was taken over a period of fourteen hours at 32 recording posts. As no boy was asked to work for more than one hour at a stretch much depended on the soundness of the organization, and the strict adherence of the boys to their instructions. The census was taken without a single hitch and without an observer being late for a change.

The ascertainment of house density per acre of land used for housing was similarly made by team work. Reproductions of the borough engineer's plans were made, and the 17 wards allotted to members of the team. It was found that considerable personal visiting was required to check the plans at various points, e.g., in close and congested courts. Incidentally during this work there were discovered small "pockets" of bad housing which had hitherto escaped the notice of those interested.

While the civic survey has been proceeding, the department of economics has been conducting a parallel social survey with resources on the same modest scale. This has included the construction of a "Booth" map for Southampton by assessment of income of the head of the family. Over 21,000 families with dependent children have been classified into eight income classes.

Finally, the survey committee was fortunate in that the headquarters of the ordnance survey office are in Southampton. The chairman and the assistant secretary of the survey committee were drawn from the ordnance survey, so that skilled advice has been available in all map work. In the all important matter of scale and legibility, the Southampton survey has thus had the best technical advice that England can provide. Some of the maps are believed to be the only examples of their kind published in England, e.g., the physical map of Southampton showing contours for every ten feet. It may be added that as the survey proceeded, local collectors brought forward a wealth of excellent old maps, engravings, etc., illustrative of the development of Southampton, only a fraction of which it has been possible to include in the report. One may conclude with a fact discovered by one of the committee in these historical researches, that one Robert Thorne, a local educational benefactor, by a will proved in 1691, left £500 to Harvard College in New England, "for the further propagation of training and piety." Perhaps this sum may be taken as the set-off against the money so generously provided by American trusts to English educational institutions in the twentieth century.

P. Ford, *Editor of the Civic Survey.*
University College,
Southampton.

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CONTENTS

EDITORIAL COMMENT . . . . *H. W. Dodds* 183
HEADLINES . . . . *Howard P. Jones* . . 187
FLINT'S FIRST SIX MONTHS OF MANAGER GOVERNMENT . . . . *Viola M. Becker* . . . 189
HOW THE TELETYPE AIDS NEW JERSEY POLICE WORK . . . . *J. E. Murnane* 192
THE YEAR 1930 IN THE HISTORY OF VIRGINIA COUNTIES . . . . *John J. Corson, 3rd* 197
A FINANCIAL DICTATORSHIP FOR FALL RIVER . . . . *Howard G. Fishack* . 201
PENNSYLVANIA MOVES TO MODERNIZE ELECTION CODE . . . . *Albert B. Maris* . . . 206
STREET RAILWAYS IN FOREIGN CITIES . . . . *William E. Mosher*. 210

DEPARTMENTS

I. Recent Books Reviewed 221
II. Judicial Decisions . . . . *Edited by C. W. Tooke* 227
III. Public Utilities . . . . *Edited by John Bauer* 231
IV. Municipal Activities Abroad . . . . *Edited by Rowland A. Egger* 235
V. Governmental Research Association Notes . . . . *Edited by Russell Forbes* 239
VI. Notes and Events . . . . *Edited by H. W. Dodds* 241

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THE LEAGUE'S BUSINESS

Legislative Use of League Publications.—The various model laws and recommended principles of the National Municipal League are finding widespread use in pending legislation in various states. Below are summarized some of the principal measures involving our recommendations now pending in current sessions of the state legislatures:

The *Model County Manager Law*, published in August 1930, has already met with great favor in various parts of the country. The whole law was incorporated verbatim in a bill introduced to the Iowa general assembly on March 9 as Senate file 313. A county manager bill embodying our recommended principles has already passed the Senate in Oklahoma. Another bill on county management is pending in Montana. Preparation of such a bill is being considered in Delaware.

The legislature of Missouri has before it a bill based almost entirely upon our *Model Muncipal Budget Law.*

Our *Model Election Administration System*, published last September, was the basis for pending laws to reform the election systems in Illinois, Maryland, Pennsylvania and Washington.

Our *Model State Constitution* has been widely distributed throughout Colorado and is being made the basis of agitation for a new constitution in that state. In its report submitted on September 29, 1930, the California Constitutional Commission printed our entire *Model State Constitution* as a supplement to its report.

Legislation which will enable cities to adopt the *manager plan* is now pending in Illinois, Pennsylvania (second and third class cities), Utah, and Washington (second and third class cities). The proposed enabling laws in Pennsylvania include provisions for proportional representation as a part of the manager plan. City manager charters have been presented to the legislatures for Bangor and Brewer, Maine; Pittsfield, Massachusetts; Waterbury and Stamford, Connecticut; and Charleston and Huntington, West Virginia. In each of these our *Model City Charter* was the basis of the legislation. At the present time 134 cities are interested in the manager plan.

A proposed constitutional amendment to provide the *Short Ballot* is now before the legislature of Missouri.

◆

Getting Them Young.—We recently received a letter from Paul Schultz of Detroit, Michigan, expressing interest in city management and asking for copies of our publications. In sending him our publications we invited him to become a member of the National Municipal League. This elicited from him the following reply:

> Judging from your letter of the 26th, I have discovered that you think I am a citizen, out of college, and over 20. I am 13 years of age and go to an Intermediate School. Sending away for that municipal book was a part of my school work. Being not of age, I hope you will understand, I am not interested in the League although I know that it is very famous and all you have said about it is true.
>
> I know you understand the situation and why I am not interested in the League.
>
> I would like to thank you for giving me the chance to join the League.
>
> Yours respectfully,
>
> (Signed) PAUL SCHULTZ.

"Bring a boy up in the way he should go, etc."

RUSSELL FORBES, *Secretary.*

NATIONAL MUNICIPAL REVIEW

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EDITORIAL COMMENT

The many friends of Professor A. R. Hatton will be deeply grieved to learn of the death of Mrs. Hatton, which occurred on March 8. Mrs. Hatton was the victim of an infection which attacked the white corpuscles of the blood, and with which medical science was unable to cope.

According to Chester H. Rowell, who is a member of the governor's commission to report upon the advisability of a new state constitution for California, the commission is reporting two proposals. One is the recommendation of an ideal constitution for the state which is none other than the *Model State Constitution* of the National Municipal League. Believing, however, that the *Model Constitution* is in advance of what the people of California will accept, the commission also recommends an alternative document. According to Mr. Rowell, this document is far from ideal, but is "less uncivilized" than the present organic law.

*

County government is becoming an issue in Michigan. In some counties, it is said, taxes sufficient to meet the minimum expenses of county administration cannot be collected. A resolution proposing an amendment to the constitution providing for county home rule has been introduced in the legislature, but appears to have little chance for success. Another bill, with better prospects of passage, calls for the appointment of a governor's commission to study county, township and school district government and to report to the legislature in 1933.

*

According to the Detroit Citizens' League, the people of Detroit did not greatly improve their situation when they recalled Mayor Bowles and chose Mayor Frank Murphy to serve out the fifteen months of the unexpired two-year term. The League confesses disappointment at Mayor Murphy's record thus far. It feels that he has been busier as a political manager than as an administrator. He appears, says the official organ of the League, to have proved more of a political opportunist than a well-biased, courageous executive.

*

Municipal Corruption—New York in Particular In the field of municipal government New York City, despite severe competition elsewhere, remains the nation's bad boy. Tammany, which every thoughtful person knows is no worse or no better than scores of other political machines, remains the country's horrible example. And when its name can be bracketed with a prominent aspirant for the Presidency, news of corruption in New York municipal affairs is featured even in the agricultural weeklies.

Chicago is probably second in publicity value. But her place in the sun has been earned by an extraordinary amount of violence and racketeering. "Big Bill, the Builder," however, is no liability to the national Republican party, while Tammany, distinctly to be preferred to the Thompson organization, is a heavy handicap to any New York Democrat who yearns to sit in the President's chair.

This is probably inevitable but is nevertheless unfortunate. Tammany is the red herring which can always be drawn across the trail to mislead nascent criticism of municipal government in cities under Republican control. Its availability for this purpose encourages a spirit of party self-righteousness in people who ought to know better. Especially in the East, the moral fervor of such persons is often exhausted in denouncing Tammany; they never get around to inquiring into affairs in up-state municipalities.

New York City government, Heaven knows, is no paragon of virtue or municipal efficiency. Mayor Hylan, who was called "Honest John" by his friends, was not a Tammany man. A hard-working dullard with a low boiling point and no sense of humor, he was succeeded by a shrewder and more sinister politician, after Tammany had convinced the city that any change from Hylan would be an improvement. The sequel was the elimination of Al Smith as a power in Tammany and a series of unsavory disclosures of corruption in the courts and the police department. Through charges brought by the City Club, which shares its president with the National Municipal League, the district attorney of New York stands revealed as a woeful incompetent, whose right to continue in office is being thoroughly surveyed.

Now the city is to be investigated by a joint legislative committee. (Up-state Republicans in the legislature supply "The Opposition" in New York's municipal government.) Former Judge Samuel Seabury, who in his investigation of the magistrates courts has established a reputation for thoroughness and fearlessness, will conduct the investigation for the committee. At this writing Mayor Walker has also been confronted by formal charges, transmitted via the governor's office, and his removal has been demanded. Already it is reported that Tammany, to forestall the investigating committee, will begin a limited house cleaning by removing some politically unimportant people in the two or three departments which will probably be the first to receive attention from the legislative inquisitors.

The quality of municipal government in New York City has undoubtedly fallen in the last six years. A thorough investigation is needed. If prosecuted vigorously, it will uncover many unpleasant truths. But if New York City government is made a national issue at the expense of attention to municipal wrong-doing elsewhere, the consequences will be deplorable. This is no time for any political party to assume a holier than thou attitude in municipal matters.

Pittsburgh, inveterately Republican, is awakening to the existence of corrupt administration which has been compared to the graft disclosures which preceded the adoption of her present charter. The Republican party in Chicago has passed through a preposterous primary, unexcelled in the annals of American cities. Proponents of the proposed city manager-proportional representation charter for Philadelphia believe that their city is saved from scandal only by the lack of an organized minority. There is not a single minority member in the city council.

The truth is, as advocates of the nonpartisan ballot have long pointed out, that national political parties have little rational relationship to local affairs. There is no Republican or Democratic type of municipal administration or municipal corruption. Every municipal tub should stand on its own bottom. Surely intelligent leaders of democracy will not be deceived, either by Democratic corruption in New York or Republican racketeering in Chicago, into a false sense of security with respect to their own municipalities.

*

Need for Fairness in Zoning

Students of zoning will be interested in Professor Tooke's comments in the Judicial Decisions department upon the ruling of the Circuit Court of Appeals in a case involving an amendment to the Los Angeles zoning ordinance which deprived owners of certain unimproved lands of the right to drill for oil. Although no dwelling had been erected within 1100 feet of the tract in question, two of the three judges held that the restriction against drilling (passed after preparations for drilling had been commenced) was reasonable as an incident to the power of guiding the growth of the city and the future development of real estate.

Considering the relative commercial values of oil extraction and residential sites, and remembering the present undeveloped condition of the region, Professor Tooke believes that the ordinance is plainly unreasonable. If appealed to the Supreme Court, he writes, a reversal may be expected.

In this connection our readers will profit by the perusal of an article in the March issue of the *American Bar Association Journal* from the pen of Edward D. Landels, Esq., of Oakland, California. Mr. Landels points out that the reasons which have been used to sustain zoning under the police power are not the true reasons which have moved hundreds of cities to adopt zoning ordinances. In other words, the primary purposes of zoning are not the protection of public health, morals and safety (as the lawyers and the courts repeatedly assert); but the protection of the value and usefulness of urban land, and the assurance of orderliness in city growth and the execution of the city plan.

Most zoning advocates understand the force of Mr. Landels' argument. Those who have had to relate zoning in all its forms to public health, safety and morals have had in many instances a difficult task. Not infrequently have their arguments failed to carry conviction. Sometimes they have seemed flatly dishonest. Fortunately the courts have understood the real objectives of zoning and have read them into the stereotyped phrases about health, safety and morals.

It is doubtless true that the courts would not have approved zoning as a legitimate use of the police power had the arguments for it not been clothed in the old phrases about public health, safety, welfare and morals. But the point Mr. Landels makes is that the time has come for the courts to recognize the real basis of zoning. Zoning can readily become arbitrary and discriminating. It can easily be used to favor particular real estate or business interests. It may foster and perpetuate monopolies. Vague consideration of public welfare will not enable the courts to distinguish between proper and improper zone regulations. The city plan is the true public purpose which zoning serves. Recognition of the economic aspects of zoning, as well as its social considerations, will not affect its constitutionality, believes Mr. Landels.

The moral seems to be: Be honest with the courts and they will be fair to zoning.

*

Montreal Metropolitan Commission Pools Region's Credit

Before the establishment of the Montreal Metropolitan Commission, writes Frederick Wright in the *Montreal Financial Times*, it had been the practice for bankrupt communities to secure annexation to the city of Montreal. Thus the city took over all local debts and commitments and the local councils who had contracted the debts were commended for passing the burden to the other fellow. This was expensive for Montreal citizens and when four more bankrupt municipalities sought annexation, about ten years ago, they discovered that instead of the city absorbing them, they were to be placed under the administration of a metropolitan commission.

This commission, organized in 1921, consists of fifteen members, one of whom represents the province of Quebec. It has power to borrow on the joint security of all the fourteen communities that make up the metropolitan area and to assess debt charges in proportion to the value of taxable property of each municipality. Before a loan can be contracted by any member other than the city of Montreal, the approval of the commission must be secured. Most of the units borrow from the commission itself and thus the credit of the whole area has been pooled under a system of strict financial supervision. In order to secure justice as between units, the metropolitan commission has power to increase or decrease assessments for tax purposes.

*

Three California Cities Considering Adoption of Novel Charters

In the Notes and Events department of this issue, Edwin A. Cottrell describes the charters pending in San Francisco, Oakland and San Diego, California. They are all departures from standard forms. The San Francisco proposal includes an elected mayor who appoints certain administrative officers including the chief administrative officer. The chief administrative officer in turn has a limited appointing power. He is not a manager in the usual sense of the term and Professor Cottrell considers the charter to be essentially of the strong-mayor type.

The Oakland charter provides for a small council and an elected mayor who will have a cabinet consisting of the manager, assistant manager, controller, engineer and city attorney, all appointed subject to confirmation by the council. The Oakland proposal follows close upon the heels of the council-manager plan adopted last November as an amendment to the present charter. In case the new charter prevails at the polls, it will be necessary to decide whether it or the plan accepted last year will be effective.

In San Diego the voters will pass upon a council manager charter similar to the one defeated in December, 1929. Administrative power is divided between the manager and the mayor.

Professor Cottrell believes that all of these charters are great improvements over the ones they are intended to replace. Because of their novelty, the experience under them will be watched with great interest.

HEADLINES

Vagrancy charges are placed against all unemployed persons who refuse positions offered them through charity organizations in Wheeling, West Virginia, upon the recommendation of City Manager Beckett.

* * *

"It is a singular occurrence," comment the "Goo-Goos" of Boston, "that oftentimes a contractor would lose one or more contracts even when he was low bidder and yet would receive one or more contracts when he was not the low bidder." Charter requirements are being flagrantly violated in the awarding of contracts, they charge.

* * *

Centralized purchasing will be established in North Carolina under the terms of a bill that has the backing of Governor O. Max Gardner.

* * *

Operation of state-owned transmission lines to carry power developed on the St. Lawrence River, if suitable contracts cannot be negotiated with the utility companies, is advocated by Thomas F. Conway in a minority report of the St. Lawrence Power Development Commission.

* * *

Municipal fire insurance rates are too high, maintains the School of Citizenship and Public Affairs at Syracuse after a survey of the subject. On the basis of facts revealed, the New York Conference of Mayors has filed a petition for lower rates on property owned by cities.

* * *

After struggling along for eighty years without capital punishment, Michigan voters will ballot on April 6 as to whether they wish to reëstablish the death penalty. The measure submitted to referendum by the legislature would make death in the electric chair mandatory for convictions of first degree murder.

* * *

Frank J. Donahue of Boston, chairman of the Democratic state committee, has been appointed chairman of the finance board of Fall River, Massachusetts, under a recent act of the legislature which virtually means state control over the city's affairs. In appointing Donahue, the governor said he named him "in spite of the fact" that he was Democratic chairman. Believe it or not.

* * *

Chicago is still suffering from "taxitis" in its most malignant form. All sorts of nostrums have been administered. The latest effort takes the form of a big committee to work out ways and means of eliminating some of the more than 400 local taxing bodies.

* * *

Boston's tax limit is set definitely at $16 in a bill signed by Governor Ely of Massachusetts in the face of opposition from Mayor Curley.

* * *

Nine and one-half million persons are now living under the city manager form of government, Walter J. Millard, redoubtable field secretary of the National Municipal League and the Proportional Representation League, reports.

A county manager enabling act has passed the Oklahoma senate. The act declares an emergency to exist, and takes effect immediately upon passage and approval. Too bad some other states can't appreciate that an emergency exists in county government!

* * *

A county manager bill based on the *Model County Manager Law* has been introduced in the Iowa legislature.

* * *

Seven suicides is the toll of bad government in Asheville, North Carolina, where the city and county administrations are up against it because their millions were deposited in banks which failed.

* * *

Merger of Forsythe and Stokes Counties, North Carolina, was defeated by a petition signed by a thousand or so Stokes County citizens. Taxpayers of Stokes stood to gain much by the consolidation. Unfortunately, a few officeholders didn't!

* * *

County consolidations are much talked of in these days of high taxes and flat pocketbooks. A vote will be taken early in April to determine whether Campbell and Fulton Counties, Georgia, will merge.

* * *

The state senate of Idaho has adopted a joint resolution providing for a referendum on a constitutional amendment to permit taxation of municipally owned utilities.

* * *

Senator Norris isn't the only man to suffer from the political trick of running two men by the same name. In Detroit John H. Webster, member of the school board for many years, is opposed this year by James A. Webster, a negro.

* * *

Twenty-six persons comprise the "personal service" staff of Mayor Walker of New York, which costs the city of New York, according to the 1931 budget, $176,960 per year, including the mayor's salary. The staff includes chauffeurs, a confidential stenographer, and two executive stenographers in addition to the usual run of secretaries.

* * *

Unemployment constitutes a "calamity" within the meaning of the Michigan home rule law according to a recent decision of the Michigan Supreme Court upholding the issuance of bonds to provide funds for the relief of unemployment.

* * *

Demand for a sweeping investigation of all supply and food contracts in last six years by the Department of Supplies of Pittsburgh has been made by the Allegheny County League of Women Voters. Trick specifications which permit the insider to bid low on items seldom ordered and high on large quantity orders are reported a feature of the city's purchasing system.

Howard P. Jones.

FLINT'S FIRST SIX MONTHS OF MANAGER GOVERNMENT

BY VIOLA M. BECKER

The first half-year puts manager government to severe test. City administration greatly improved and politics eliminated from city's business activities. :: :: :: :: :: :: :: ::

As an industrial town, we are a hodge-podge of nationalities. Our situation might easily seem hopeless from a social, educational and political viewpoint, were it not for the presence in our city of some unique features. As a background on which to build a new municipal era, Flint, Michigan, the Vehicle City, is favored with the General Motors Institute of Technology, where young men from all parts of the world are trained in industrial leadership. In connection with our several factories, including the Buick Motor Company, the Chevrolet, the Fisher Body Company, the A C Spark Plug plants and others, we have the Industrial Mutual Association, providing factory workers with clean social life and educational advantages, and presenting the city with a handsome, spacious auditorium where several thousand people may attend concerts by the world's artists.

OUR FIRST EXPERIENCE

As a manager city, Flint is just six months old at this writing. We have an excellent mayor-manager team. The council is a cross-section of the city at large, and things are happening rapidly.

We were fortunate in the choice of Harvey J. Mallery for mayor, a wealthy man who is running the city's affairs as he would his own, directly and fearlessly, a retired man who is taking a sporting interest in his city's business. Equally fortunate were we in our choice of John N. Edy for city manager—known to be one of the country's most capable administrators, who left an enviable record for outstanding achievements of seven years in Berkeley, California, and came to Flint by invitation. Mr. Edy is clean-cut and expert. In the first four months of his administration in Flint, he saved the city his salary for six years, and did it without impairing the municipal service one jot. He has put the city on a sound financial basis, inaugurating an economical administration such as our city has not enjoyed for years.

While Flint is said not to have suffered from cutthroat politics as some communities have, yet it is a tough center for a city manager. As the first year in home-making is the crucial year, so is our first year's operation under the new charter.

Our commission is composed of nine men of whom five always, six occasionally and seven infrequently, support the administration on important questions. It is said that when Mayor Mallery met Mr. Edy in Chicago to talk with him about the managership of Flint, he assured Mr. Edy of the support in all major issues of policy of seven of the nine commissioners. This support he has seldom enjoyed but five of the group vote with the administration, while four hedge, if not buck, with rumblings of the uglier sort in the immediate foreground.

Every worth while contribution to our future depends upon the attitude of the voters; most of all upon their understanding of what they are receiving at the hands of their public servants. Mr. Edy holds that the charter and manager are not alone on trial; the test depends largely upon the manner in which the public accept the terms of clean, sound, business management.

Our charter is considered generally workable, although more decentralized than many. There are, however, on the commission some former aldermen who have the ward attitude toward their sections of the city. It is considered a serious handicap that other than charter enthusiasts should have been elected to the commission. Some members, not violently opposed to the present scheme, are bickering among themselves and embarrassing the group.

THE MANAGER CALLS FOR A SHOW-DOWN

One such moment of embarrassment came up early in the history of our new charter. Nine members were present one evening in the commission chamber, when the manager told of his intention to appoint a new director of purchases and supplies, a man whom he had discovered in an executive position in one of our automobile factories. The supporters of the charter were about to vote on a salary for this individual, when one of the dissenting ex-aldermen stood up to announce that he would not vote for the salary of anyone, unless he knew to whom the position was to be given. In the former régime he had been accustomed to bargaining regarding personnel and salaries, and he could not conceive himself voting for any measure blindly, unless he knew and approved of the appointment. To this Mr. Edy replied that it was his job to select his own personnel, and he would not disclose any individual appointment in advance. The commissioner held to his point, even getting chesty about it, and thus the battle was on.

The spectators witnessed the new charter balancing in mid-air, and feared that it could not escape collapse. The manager urged the commission to observe the spirit of the charter, but he was plainly worried and not alone in his anxiety. It was a critical situation but the unexpected occurred and the manager won. The objecting commissioner had done some thinking and came out flatly with the supporters of the measure.

OLD COUNCIL LEAVES MUCH UNFINISHED BUSINESS

One heartening feature is the presence at the commission's sessions of some of Flint's most representative citizens, who are observing how the charter functions. Lawyers and business men seem to enjoy the discussions and sit through the session however late it is held. In the old days, only the followers of our ward politicians appeared at the meetings, cheering their bosses, right or wrong. The old council, months prior to the passing of their rule, had decided that no new business of any description should be taken up if it could possibly be passed on to the new commission. Consequently a number of projects and problems were pressing for solution at the start. Only one unit of the new sewage disposal plant had been completed, and towns down the river were calling urgently for the erection of the second unit. Our street railway company was operating under a day-to-day arrangement, and demanding changes in the system to their advantage. The city water rates called for readjustment; the construction of an important piece of storm sewer was being held up because the city officials and the owner could not agree on a price for the right of way; there were unsettled damage claims arising out of the construction of the city reservoir.

Labor problems arose shortly after our manager appeared on the scene. A strike of several thousand men at the Fisher Body plant was well handled by our efficient chief of police, Caesar Scavarda, and the manager. The unrest among the unemployed since the Fisher workers resumed their places at the plant also has called for steady hands at the helm. It has not been possible to provide employment for all who were out of work, but many jobless men have "earned their keep" by working part time on snow removal, extra street cleaning and tidying up along our waterfront. Needed improvements at the water plant have been contracted for, the construction of the second unit of our sewage treatment works has been authorized at a cost of approximately $479,000.

Politics is no longer a factor in the employment of the working personnel. The manager has established a system of monthly revenue review which tells him whether the receipts are sufficient to finance the budget. A plan of expenditure control has been set up.

OUTSTANDING ACHIEVEMENTS

Our manager has worked out monthly budgetary allotments which may be overdrawn one month, if necessary, but must balance at the end of the fiscal year. Reorganization of the city government as provided by the specifications of the charter, has been effected. Within four months after his arrival, our manager reduced expenditures by more than $104,000, to conform to a more conservative estimate of revenue.

The department of public welfare, with the assistance of the bureau of social service, has been diligent in investigating reported cases of distress and in giving aid to needy residents. The magnitude of the demand upon this one service of the government may be gathered from these facts: For poor relief city expenditures for 1927–28 were $82,494; this year they will approximate $405,000.

While the commission manager government has drafted new rules for the game, it has likewise given us a better set of players.

HOW THE TELETYPE AIDS NEW JERSEY POLICE WORK

BY LIEUTENANT J. E. MURNANE

Department of State Police, New Jersey

New Jersey state police are well pleased with their new teletype system, the effectiveness of which increases as more and more cities and counties tie in with it. :: :: :: :: :: :: :: ::

Wanted for Murder.—Terse—stark—ugly—naked—these words may be. But down through the ages from Cain's fratricide to the wholesale gang killings and triangle murders of the present day they have been a cry for justice. Now they appear almost daily, and frequently several times a day, in the alarms of the New Jersey state-wide police teletype system, the latest development in police communication.

Murder, of course, is the most serious of crimes and consequently receives priority and precedence in this modern police communication system. But many other crimes less startling in their titles are sent out daily. Hold-ups and robberies, escapes, burglaries, larcenies, assaults, commercial crimes, stolen cars and property, missing persons; these are some of the headings which appear on the telephone typewriter alarms sent by the Trenton master station and received by all the police departments in the New Jersey state-wide teletype alarm system.

THE NEED FOR A TELETYPE SYSTEM

Why the establishment of such a communication service for police use?

Speed of communication in police service has not kept pace with the speed of transportation and consequent escape of the criminal. Telephone, telegraph and mail have proven inadequate for police communication in this fast moving, high speed era. These means of communication are useful perhaps in getting information from one police department to another, but for the spread of information generally to all police departments or to several police departments simultaneously, they are lacking in speed, flexibility and economy.

This police problem has been met in the state of New Jersey by the establishment of the state-wide teletype alarm system. After many months of study by the State Regional Planning Commission, and the State Association of Police Chiefs, an act authorizing a state-wide teletype system was passed in the 1930 session of the New Jersey legislature. By this act the superintendent of state police was authorized to install and operate the basic system and to use members of the department of state police as supervisors and civilian personnel as operators.

Colonel H. Norman Schwarzkopf, with the background of his accomplishment as head of the department of state police and his proven ability as an organizer, tackled this new job with his usual enthusiasm and painstaking analysis and added another achievement to his list.

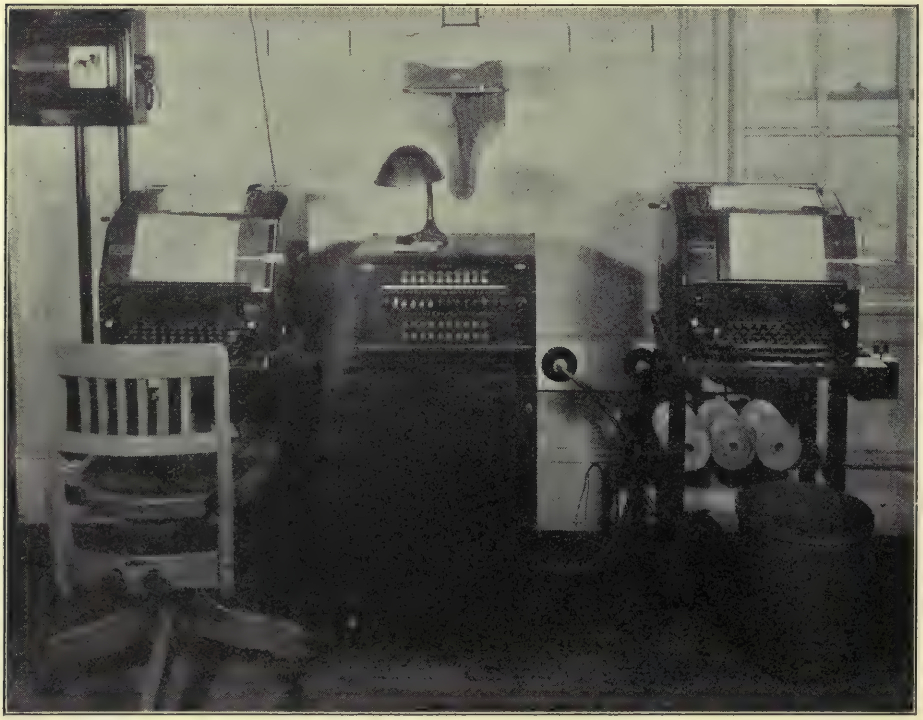
He made a study of the existing police teletype communication systems in the states of Connecticut and Pennsylvania, the county of Westchester in New York state and in the cities of New York and Philadelphia. As a result of his findings and with the coöperation of the New Jersey Bell Telephone Company, who are technically responsible for the installation and maintenance of the machines and wires and from whom the system is rented, the present communication service has evolved.

Battery or Receiving Instruments

WHAT THE TELETYPE IS

The teletype system as it is commonly known (teletype is a diminutive for telephone typewriter) is technically a typewritten communication service involving transmission by means of telephone typewriter machines and connecting wires so arranged that the operation of one machine simultaneously and identically operates one, a group, or all machines connected to the system whether they be in the same building, within the same city or in different cities. The telephone typewriter or teletype machine, as it is commonly known, has a keyboard similar to a typewriter. When a letter or number is touched electrical impulses are created which are individual and different for each letter of the alphabet and each numeral or character. These impulses travel with the speed of electricity and cause the receiving telegraph typewriter to type simultaneously with the sending telegraph typewriter. The electrical transcription of these letters, numerals and characters, appears in a page type form which is also electrically fed to the machine from a roll of paper specially spooled for use in the machine. We, therefore, find embodied in the telegraph typewriter or teletype machine the speed of the telephone, the flexibility of conversation, the accuracy and legibility of the typewriter and the authority and permanence of the printed word.

The original network of the New Jersey system, opened on October 1, 1930, included all state police stations and headquarters and receivers from the system in New York City and Philadelphia, a receiver from New York City in the Newark sending station and a receiver from the Pennsylvania system in the master station at Trenton. There have since been added the city of Morristown, nineteen municipalities in Essex County, the city of Vineland in Cumberland County and the Essex County prosecutor's office. The system is divided into five zones with a sending station located in each zone. Trenton, Newark, Morristown, Freehold and Hammonton are zone sending stations.



SENDING MACHINES AND SWITCHBOARD

THE MASTER STATION

Trenton is the master station and every alarm or message sent out by Newark, Morristown, Freehold or Hammonton is received in Trenton. Trenton also has six receiving stations in the central part of the state as follows: Penns Neck, Hightstown, Lambertville, New Egypt, Columbus and Delanco. At present the county of Mercer and the city of Trenton are studying their local situation with the view of tying in with the state-wide system.

The master station can send to each zone sending station individually or to all zone sending stations collectively. Trenton can also, by the operation of a seizure key, take control of every circuit in the state-wide system including receivers of the New Jersey system in New York City and Philadelphia, for the general broadcast of important alarms. A receiving machine from Philadelphia is also located in Trenton and important Philadelphia or Pennsylvania messages received on this machine are re-broadcast throughout the state of New Jersey. When Harrisburg operates its seizure key, similar to the one used in Trenton, Trenton receives Pennsylvania broadcasts direct from Harrisburg.

Newark, the key station of the metropolitan area of the state, covers nineteen municipal police stations. Newark is also tied in with New York City and its vast and comprehensive teletype system. Hudson County municipalities are negotiating for receivers at this writing.

The city of Newark with its nine police precincts is planning an internal system which will later hook-up with the state system at the Newark zone sending station.

The Morristown sending station is at present connected with nine state police stations in the northern part of the state, and the Morristown city police department.

The Freehold sending station is now connected with four state police receiving stations in its zone along the Atlantic Coast. The county of Monmouth is contemplating a county system to tie in with the state system at Freehold.

The Hammonton sending station is now connected with nine state police receiving stations in the southern part of the state and also the Vineland Municipal Police Department. The counties of Atlantic and Camden are also contemplating tying in with the system at Hammonton.

NEW YORK AND PENNSYLVANIA TIED IN

The city of Philadelphia, which has its own municipal teletype system located in the City Hall with receivers in all of the precincts and bureaus, is also connected with the Hammonton sending station. In addition to this, Philadelphia is a zone sending station in the Pennsylvania state-wide teletype system, and consequently important New Jersey alarms are transmitted by Philadelphia to its zones. Harrisburg in turn re-broadcasts these alarms to the entire Pennsylvania system, which is comprised of 110 receiving stations located throughout the state of Pennsylvania.

The state of New Jersey lies between two of the largest states in the Union and between the two of the greatest population areas in the country. Just as this fact has increased its police problems, so also the alliance and connection of this trinity of teletype systems makes the New Jersey system a sort of clearing house for the police alarms and police information of the three systems. It has, therefore, been very busy as the following statistics will indicate:

TYPE AND CLASSIFICATION OF ALARMS AND MESSAGES IN THE FIRST THREE MONTHS

General Broadcasts

(Every receiving station in the system, including New York and Philadelphia received these messages)

Murder and manslaughter	91
Hold-ups and robberies	648
Carnal and sex crimes	7
Wanted for escape	152
Breaking, entering, larceny and burglary	221
Assault	164
Commercial crimes	81
Other crimes	54
Missing persons	1,220
Stolen property	279
Stolen cars	1,199
Total	4,116
Messages	
Miscellaneous	580
Information requested and obtained	961
Cancellations	759
Total	6,416

MANY USES FOR THE SYSTEM

On the above list will be noted 580 miscellaneous messages. By miscellaneous we mean messages between individual police departments in New York, Pennsylvania and New Jersey. These messages are of a police nature concerning apprehensions, extradition papers, warrants, etc. The transmission of these messages by teletype eliminates the use of the telephone, telegraph and mail in many instances, besides adding the factors of speed and economy.

On the above list you will note 961 messages for information requested and obtained. These messages are not police alarms or broadcasts, but are requests for information on automobile registrations, serial and motor numbers, names and addresses of automobile owners, requests for further information on criminal records, finger prints, etc. Information concerning persons who have been apprehended by one police department is exchanged with other police departments who may bring further charges or more serious charges against the criminal if he is wanted for crimes in another police jurisdiction.

Under this classification will also be found requests for information on the whereabouts or location of a person or persons whose relatives have died or been injured in accidents, so that they may be notified of the death or injury. We recently had a case in which oxygen was needed to save a pneumonia patient. By means of the teletype system, we were able to locate several tanks and a hurried run was made by the New Jersey state police from the Jersey Central Power and Light Company at Belmar, with this life-sustaining necessity. So, in addition to the police service and accomplishment of the teletype, it has also helped the citizens of our state and our neighboring states with many humanitarian services.

Seven hundred and fifty-nine cancellations, of course, indicate the results obtained by the teletype. These cancellations show the apprehension of wanted persons, the location of missing persons and the recovery of stolen cars and property concerning which information was originally broadcast by the teletype.

THE YEAR 1930 IN THE HISTORY OF VIRGINIA COUNTIES

BY JOHN J. CORSON, 3RD
Editorial Staff, Richmond News Leader

The discovery that the friendly practice of "holding out tax tickets" spelled treasury shortages put county government reform on the first page in Virginia. :: :: :: :: :: :: :: ::

NOT long ago Charles A. Beard wrote, "The county methods of transacting business generally are assailed as obsolete, crude and extravagant where not actually and willfully corrupt." How accurately this criticism applied to the governments of Virginia counties on January 1, 1930, may be deduced from a single sentence in the report made in 1927 by the New York Bureau of Municipal Research, *County Government in Virginia*, which reads as follows: "In fact, there is nothing to commend the present form of county government in Virginia." Since this report was rendered, a number of recommendations designed to better county administration have been proposed. None had gained but a modicum of ground prior to the commencement of the year 1930.

GOVERNOR SECURES CREATION OF STUDY COMMISSION

Auspiciously, however, the year 1930 began with the inauguration on January 15 of John Garland Pollard as governor of Virginia. Probably no man who has ever attained this office has had a more thorough training in the science of government. Starting in public life as a member of the convention which drafted the Virginia constitution of 1901, Governor Pollard has followed and studied this profession in a varied number of rôles.

In his inaugural address Governor Pollard said, "County government is a neglected field in the study of political science. Much more has been written on federal, state and city government, yet I venture to assert that county government is at least equally important." Continuing, Pollard recommended the creation of a commission whose function it would be to draft a general law setting forth optional forms of county government to become effective when approved by the voters of a county at an election held for the purpose. This commission, he said, should be a continuing body "for the purpose of studying comparative county government in Virginia and analyzing and interpreting the statistics now gathered as to the comparative cost of the several functions of government in all the counties."

Although the governor's recommendation met with some opposition from the representatives of the county office-holding clique, the administration forces brought about the enactment of a law authorizing a continuing commission of five members to be appointed by the governor, and appropriating the meager sum of $3,000 to cover its expenses for the biennium 1930–32.

The tide of Virginia county affairs ebbed and flowed uneventfully during the first half of the year 1930. But with the opening of the second half of that year there began a series of events which are likely to prove of lasting significance in the history of these local governments. The first was the publication of Wylie Kilpatrick's *Problems in Contemporary County Government* by the Institute for Research at the University of Virginia. Less than two months later a more startling study came from the press.

NUMEROUS SHORTAGES DISCLOSED

Attracted by disclosures of shortages in the accounts of four Virginia county treasurers during a period of less than four months from March 23 to July 20, 1930, the present writer sought to uncover their causes. Investigation disclosed that they were only the surface indications of a widespread, cancerous condition.

In short, it was found that during a period of less than four years shortages had been experienced in the offices of ten Virginia counties. The sum total of these shortages amounted to more than $785,000. And, on September 1, 1930, *twelve other Virginia county treasurers were discovered to be short in their accounts.* In sixteen other counties treasurers had settled similar deficiencies in their accounts without public notice at one time or another during the past five years.[1]

Actual dishonesty was the cause of only a few of these thirty-eight shortages. None was the result of a mere accounting technicality. Lax and unintelligent financial practices obtaining in the offices of the treasurers and the failure of county boards of supervisors to require settlements as required by law were contributory causes. But the primary cause was the ancient practice of Virginia county treasurers of "holding out the tax tickets."

To the uninitiated this phrase, "holding out the tax tickets" is unintelligible, but it is easily explained. County treasurers are public officials who nominally are elected by the vote of the people. Actually they are selected in Virginia by the "court house ring" which manages the affairs in each county. In debt to this group of politicians and to other influential citizens, treasurers have naturally been glad to do them favors. And so when one of them came along with the plea that it was not convenient to pay his last year's taxes before June 15, when a penalty for non-payment is added, but promised to pay later, the accommodating treasurer often receipted the tax bill, trusting the influential business man or politician to settle later. As a result, the influential citizen escaped the payment of a 5 per cent penalty and interest on his indebtedness.

Too often, however, these influential friends and politicians did not pay when they promised to pay. The annual audit was made before the payment, or the treasurer died with large quantities of receipted but unpaid tax bills—sometimes five or more years old. The taxes were listed as paid, but no cash had been received for them. Every treasurer expected to get the cash eventually; often he did and settled his indebtedness. But when called upon suddenly to produce it, he did not have it and consequently he was reported short.

After publicly thanking the publishers of the articles which contained these disclosures, Governor Pollard set forth to clean up this condition. By November, all save one Virginia county treasurer had squared his accounts. The one remaining treasurer was subsequently suspended by the governor. When he refused to relinquish his office the matter was taken to the Virginia Supreme Court of Appeals before which body the case is now pending.

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[1] Virginia County Treasurer Shortages, a series of seven articles published daily in the *Richmond News Leader*, Richmond, Virginia; September 1–9, 1930.

COUNTY BUDGET LAW NOT ENFORCED

A county budget law, passed in 1926, requires the preparation of annual county budgets, and directs that each county shall file a copy of the budget each year with the state director of the budget. Four years' experience under this law demonstrated it to be a spineless and ineffective measure.

In nine out of ten Virginia counties no county official is qualified to prepare a budget or to control one when in operation. Furthermore, the best qualified official could not now prepare an adequate budget from the meager information provided by faulty accounting systems which make no attempt to provide complete fiscal information, or to classify the expenditures and revenues. In addition, the fee system of reimbursing the county treasurer, county clerk, sheriff, commonwealth attorney, and commissioner of revenue makes almost impossible the budgeting of a large portion of the annual operating expenses.

The net result is: Not more than one out of two Virginia counties obeys the law and files a copy of its annual budget with the state director of the budget. Why? Simply because the officials of these counties do not bother to prepare even the most superficial budget statement. Of the forty or fifty county budgets which are prepared each year not more than ten are usable as tools in controlling the fiscal policy of the county.

The silver lining of the dark cloud of Virginia county government is to be found in the exemplary forms of government obtaining in five Virginia counties. In each of these more progressive counties an official whose position approaches that of a "county manager" is at the head of the county government.

ARLINGTON COUNTY ADOPTS MANAGER PLAN

On Tuesday, November 4, the voters of Arlington County voted to make their form of government correspond more closely to the accepted county manager plan. A county board of commissioners elective from the county at large was created in place of the traditional board of supervisors made up of a representative from each magisterial district. To this body was given the duty of appointing a county manager.

The reforms adopted by the first county in Virginia to adopt the manager plan by referendum, as provided by recent statute, did not include the centralization of complete appointive power in the county manager. Constitutional provisions that a number of county officers be elected by the people precluded this possibility. Moreover, fear of centralized authority caused the placing in the hands of the county board of commissioners authority to appoint the heads of several county departments which might better have been lodged in the city manager. Representing, however, a step forward against the marked opposition of the county office-holding group, this approach to a true county manager system marks a real gain in Virginia county government.

SO-CALLED MANAGERS IN OTHER COUNTIES

In Augusta County, Fred T. Prufer, executive secretary to the board of supervisors, since 1927 has functioned as a "county manager" by reason of authority granted by the county legislative body. Likewise in Albemarle, Fairfax and Pittsylvania Counties the county boards of supervisors have so strengthened one or another of the county offices as to make its holder virtually a "county manager."

COUNTY SUPERVISORS ORGANIZE

Finally, on November 14, Roanoke city was the scene of the final significant event in the course of Virginia county governmental history during the year 1930. On that date a meeting was held at which plans were laid for the organization of an association to be entitled the "Association of Virginia County Supervisors."

Organized with the express purpose of bending every effort toward the improvement of county government in Virginia through the interchange of ideas and the coöperation of county officials, this association possesses real possibilities. If in its maturity it is to serve as a clearing house for the exchange of information, as it promises to do in somewhat the same manner as the several state leagues of municipalities, it will justify many times over its cost to the member counties.

GAINS SUMMARIZED

Starting from scratch on January 1, 1930, county governments in Virginia gained by the happenings of the succeeding twelve months. An understanding and sympathetic official took office as governor of Virginia. A state commission whose function it is to improve the organization of these governments was created. A substantial amount of accurate, factual data describing the deficiencies of these county governments was made available. Further experience with forms of government approaching the county manager plan suggest models for the rejuvenation of all Virginia counties. One county formally adopted the manager plan by popular vote. And finally, the county officers have joined for the betterment of their administration by the organization of an association designed to make possible the interchange of ideas and coöperation in the improvement of Virginia county government.

At the beginning of the year 1931 the horizon of Virginia county government, lightened by these factors, appears much brighter than a year ago.

A FINANCIAL DICTATORSHIP FOR FALL RIVER

BY HOWARD G. FISHACK

Director of the Atlantic City Survey Commission, formerly Director of the Fall River Taxpayers' Association

This New England city was suddenly faced by financial difficulties which had been accumulating for years while the city government continued its care-free extravagance. By action of the Massachusetts legislature a "creditors' committee" has taken charge. :: :: ::

CARPET bag government. Czarism. Rule by an "unterrified trinity." These are a few of the phrases vividly applied to the Fall River Finance Bill by Fall River, Massachusetts, citizens speaking in opposition to it at a recent hearing before the legislative committee on municipal finance. The bill, introduced by a group of local bankers in an effort to restore the city's credit and to fund $3,500,000 temporary loans that the city is unable to meet, is now law. Coupled with the refunding program as a check on future extravagances is a state-appointed board of finance with strong control over the city's future financial transactions.

CITY DEEP IN FINANCIAL TROUBLES

The immediate cause of such revived interest in its government was a sudden awakening last November to the fact that Fall River was in a most serious financial position. Tax anticipation notes totaling $2,100,000 due November 4 had not been met and were protested, automatically raising the interest rate to 6 per cent. Later $300,000 of the defaulted issue was paid with a portion of the city's share of income and corporation taxes received from the state; but on February 1, $1,800,000 was still outstanding and in addition $1,200,000 was to fall due in February and $1,630,000 in March, making a total of $4,630,000 to be met.

Obviously there was little prospect of early payment unless the state legislature came to the rescue by providing special financial legislation that would give additional assurance to investors and induce them to loan funds to the city. The situation was so acute in December that the city could not float an $80,000 emergency loan to finance unusual and unforseen demands upon the public welfare department. Taxes paid into the treasury after an extended effort to collect them had not been sufficient to meet even operating expenses, and payrolls during a part of the time had been met by week-to-week loans advanced by local banks. Only 59 per cent of the 1930 levy had been paid by January 1, 1931, nearly two months after becoming delinquent, and over $800,000 or 14 per cent of the 1929 levy was still outstanding a year and two months after the due date.

PROPOSAL FOR STATE CONTROL

The new finance act has as its primary purpose the funding of the city's defaulted indebtedness but it also provides that control of finances for the next ten years be lodged with a state-appointed board of finance of three members with broad powers. Authorization is granted by the act to raise $3,500,000 by issuing ten-year serial bonds to meet present obligations. As additional security for their payment the city is required to pledge a share of income and corporation taxes distributed by the state sufficient to meet interest charges and serial retirements on this issue.

In addition the city may also issue refunding notes not exceeding $1,000,000 and to be retired on or before July 1, 1933, to cover unpaid taxes for the year 1930. Uncollected balances of the 1930 levy and of prior years are pledged as security and must be held for the retirement of this issue to be disbursed only on the written order of the board of finance. The city is also strictly limited in its payment of future short term loans made in anticipation of future tax levies. The general laws of the state will apply as at present in issuing tax anticipation notes but any balance unpaid seven months after the close of the fiscal year in which issued must be added to the tax levy. This provision will prevent the accumulation of unfunded debt such as toppled the city's weak financial structure last November.

THE FINANCE BOARD A "CREDITORS' COMMITTEE"

Still a further check is placed upon Fall River again running wild financially. While the bonds needed to lift the city from its present slump are outstanding complete control of the financial activities of the city will rest with the finance board or "creditors' committee," or three members appointed by the governor of the Commonwealth. The first appointments are for terms of two, four, and six years respectively. All members of the board must be residents of Massachusetts but only one member is required to be a resident of Fall River. Supervision of all financial affairs shall be under their direct control and no appropriation shall be made and no debt incurred without their written approval or upon their written recommendation. Their power extends over the school committee, the water department, and the state appointed police commission, as well as over the city council and the departments under it.

The board was named by the governor on February 21. Frank J. Donahue, chairman of the Democratic state committee, is chairman; James Jackson, formerly state treasurer, and James A. Burke, Jr., are the other two members. Mr. Burke is the only resident of Fall River. Mr. Donahue lives in Boston and Mr. Jackson in Westwood.

The city treasurer, collector, auditor, and three assessors are to be appointed and removed and their compensation shall be fixed by the board of finance. Abatement of taxes in excess of $500 must first be approved in writing by the finance body but they in turn hold strong power in rebating taxes and in declaring taxes uncollectable on property held by the city for non-payment. Here again, a seemingly drastic provision has been written into the law, a provision with which many people not familiar with the local situation may disagree. It was prompted doubtlessly by the city carrying as an asset tax titles on a large amount of property that could not be sold today for even a fraction of the back taxes against it. Experts studying the city's condition found $568,000 in tax titles carried on the city's books, no part of which they considered "realizable."

Originally the bill gave the finance board additional authority which a large number of Fall River citizens, particularly city employees, believed placed in its hands unwarranted quasi-political powers. Section eight of the original bill (House bill 1131) was strongly opposed because it provided that any employee of the city could be discharged by the finance board regardless of seniority and tenure of office provisions of the state act whenever the city council, the school committee, or the police commission requested such action. Civil service, veterans' preference, and teachers' tenure continued to apply in making appointments and in ordinary removals and the finance board's power was strictly limited to cases where action was requested by proper city authorities. Nevertheless, the provision was viewed with such alarm by strongly organized groups of city workers that proponents of the bill quickly dropped it.

Although jettisoned, the section did have a bearing upon the economic operation of the city and, if Fall River's experience with civil service regulations should be repeated, might have been the means of saving substantial tax sums. During 1925 and 1926 several hundred of the street labor force were placed on a staggered schedule to give three days work to each gang so that all might have employment. In doing so the city failed to give written notice to each laborer and to have him "sign off" any claim to seniority rights. The error cost the city nearly $100,000 which was required to settle the cases of employees who accepted the reduced working schedule but later prevailed in their claims before the supreme court that seniority rights entitled them to full employment. The tax rate was boosted 50 cents per $1,000 valuation to meet these claims which were finally settled in 1928. In return the city did not receive one cent's worth of service.

So much for the provisions of the finance act. It is doubtful if the city will be able to float loans in the future at as low rates of interest as other Massachusetts cities. Probably additional sums will be exacted over a period of years in higher interest and taxpayers not analysing the budget or failing to note the additional charge may never be aware of, or will soon forget that they are still paying the price of political mismangagement.

THE MORAL FOR OTHER CITIES

There is no purpose in parading Fall River's misfortunes unless the review may incline other communities to take stock of their own municipal affairs. The Fall River situation did not "just happen." Finding the treasury bare and the loans due last November was simply the culmination of a series of unsound financial policies that might have been avoided. Certain facts indicating the trend of the city were definitely known, or could have been easily determined which under other circumstances might have prompted officials and taxpayers to act in drastically reducing city expenditures. Instead, the city continued to spend more freely than ever before. While industrial activity and employment sunk lower and lower, the city tax increased more than $1,400,000 between 1923 and 1928. Statistics released by the Massachusetts department of labor and industries showed that the value of industrial products and the number of wage earners employed *decreased* 30 per cent during these years. The city tax, exclusive of state and county taxes, *increased* 30 per cent during this same period.

The city's inability to pay the added tax burden is indicated in the record of tax collections. Up to 1924 at least 80 per cent of the taxes were collected by the end of the fiscal year. In 1927 collections dropped to 66 per cent and for the year ending December 31, 1930, only 59 per cent of the current levy had been paid. Property held on tax titles for non-payment increased from $58,827 January 1, 1927, to $568,816 on January 1, 1931. Little if anything can be realized on these tax titles according to experts examining the city's condition for the bankers' committee. One of the several vacant mill properties held by the city and represented to have a value of not more than $50,000 had uncollected taxes charged against it of $205,000. Of $3,500,000 in uncollected taxes on January 1, 1931, $900,000 is considered uncollectable by the bankers' committee because of bankruptcy or disappearance of values completely.

ASSESSMENTS JUGGLED

The old political trick of juggling assessed values to obtain a low tax rate favorable to the mass of voters and at the same time to cover increased expenditures has been worked in Fall River for years. When the city's industry was at its peak in 1923 the total assessed valuation was $188,086,000 and had been steadily climbing to this figure from $129,953,000 during five years of prosperity. In 1924 a decrease was made, the result of court action brought by the mills contesting their valuations of the preceding year. This reduction and the constantly increasing tax levy raised the rate $3.80 per $1,000 but the political handicap was speedily adjusted the next year when $30,000,000 was added to assessed valuations. The tax rate was again "favorable" showing a $2 reduction and at the same time taking care of a tax increase of nearly $400,000. In 1926 a further boost to peak valuations of $214,087,000 was made. Likewise there was a $500,000 boost in the city's tax.

Since 1926 valuations have been lowered each year and by 1930 totaled $149,014,000 a decrease of $65,000,000 or 30 per cent in four years. Even this drop, in the opinion of experts studying the situation, leaves the city with abnormally high values and forecast an additional $20,000,000 cut below the 1930 figures when the roll is made up this year.

Practically all reductions made have been on industrial property and were in the main the result of court action brought by the mills or were through compromise forced after gaining court decisions on specific properties. A proper basis for valuing mill properties has been disputed for years and has cost the city over $100,000 for special counsel fees and well over $2,000,000 in tax rebates. It is significant that during these years no improvement has been made in the city's hit and miss methods of arriving at valuations. To have undertaken scientific assessing and to have adopted accepted methods of determining values would have pricked the financial bubble and sunk any political party attempting the job. It would have resulted in even higher tax rates than $38.80 and $40.80 and would have prevented increased budgets being hidden by inflated valuations. At the same time it might have kept the city off the financial "blacklist" or at least lightened the job it now faces.

Fall River does have a gigantic job before it. Faced with the added burden of debt and interest charges on the refunding loans, with further reductions in its valuations and with a tax rate of $40 per $1,000 estimated as the maximum that can be levied under existing conditions the city must cut expenditures $1,200,000 this year. Fortunately only about one-half of this amount, $665,000 must be taken from the city's operating expenses, the balance being made up of lower debt charges on bonds now outstanding plus several non-recurring items that need not be included in 1931. Reductions in operating expenses, however, are by no means light for they mean a 12½ per cent cut which is four times the reduction that has been made in operating expenses since the city's highest budget in 1927.

The school system is now faced with cutting expenses $300,000 and to meet this figure is considering eliminating kindergartens, releasing every employee possible under the strict Massachusetts tenure of office laws, and as a last resort cutting salaries of every school employee retained. Other departments must consider similar drastic measures. This unpleasant job falls upon a new administration that took office last January who are now faced with a problem growing out of the indifference of former political administrations to the city's financial condition. The penalty for continued extravagance in the face of extended industrial depression is at last catching up to the city and is adding an additional burden that requires sacrificing municipal activities generally accepted as necessary, or at least desirable, by other cities.

EVILS OF LONG STANDING

Opinions vary as to the cause for Fall River's financial condition. Those attempting to excuse past administrations blame the general depression during 1930 and point to other communities reported in difficulty. The depression probably accelerated the evil day but the basic causes are rooted in administrative and political policies that were in practice years before 1930. Political mismanagement and a persistent refusal on the part of officials and citizens to recognize the city's constantly weakening financial position finally brought conditions boldly to attention in November, 1930, and gave Fall River the unenviable distinction of being the first city in the history of Massachusetts to default on its obligations.

How well the board of finance can succeed in bringing the city back to normalcy with the assistance of non-partisan officials now in office and with the newly appointed, but experienced city manager, is of course speculative at this time. Their efforts, however, will be followed with keen interest by students of municipal government and especially by advocates of closer state-wide control of municipal affairs.

PENNSYLVANIA MOVES TO MODERNIZE ELECTION CODE

BY ALBERT B. MARIS, ESQ.

Pennsylvania's election machinery is founded on an act passed in 1839. It is obsolete in almost every respect. It is an invitation to fraud, as the records show. :: :: :: :: :: :: ::

FOR many years it has been evident that something is wrong with the election machinery in Pennsylvania. The Committee of Seventy in Philadelphia and similar organizations in Pittsburgh and other parts of the state have continually uncovered flagrant cases of election frauds and have made it increasingly evident to our citizens that things are not as they should be.

Feeling that the time was ripe to make a full study and to propose an adequate remedy, the Pennsylvania League of Women Voters last spring called a conference in Harrisburg of all of the organizations interested in clean elections throughout the state. This election law conference met and considered a great many proposals for the improvement of the election laws. It recognized that the human element is all-important and that without honest and intelligent officials no law can be enforced; but at the same time it found that the Pennsylvania election machinery, founded as it is on an act passed July 2, 1839, is archaic and in a very much confused state. The conference, therefore, decided that the proper thing to do was to prepare and present to the present legislature a complete revision of the election laws—in other words, a modern election code. This code has been prepared and introduced into both houses of the legislature. It has received the endorsement of the governor. It completely revises all the laws relating to primaries and elections, the registration of voters, campaign expenses and election contests, and repeals over two hundred acts passed between the years 1788 and 1929.

CODE PROVIDES COÖRDINATED MACHINERY

The code provides for the first time a unified and coördinated election administration in each county. Practically everywhere throughout the United States registration, primaries and elections are all handled by the same county office. This has never been so in Pennsylvania, however. Part of the job has been handled by the county commissioners—another part by the courts; the prothonotary and the clerk of the court of quarter sessions also take part, while justices of the peace and locally-elected election officers and assessors perform other parts of the job almost independently of any supervision. In Philadelphia, Pittsburgh and Scranton an entirely separate body, the registration commission, handles registration, but nothing else. This method has inevitably resulted in a lack of coördination and in many cases even of coöperation. It has also made inevitable a large duplication of overhead cost and of payroll and other expense. The cost of registration and elections is, I am reliably informed, higher today in Pennsylvania than in any other state in the Union.

The Election Code, on the other hand, puts the entire job of supervising registration, primaries and elections in the hands of a county board of elections in each county. The county commissioners, who at present handle a considerable part of the election work in addition to their other duties, are in the counties having less than 150,000 population required to act as the county board of elections of the county ex officio. In the larger counties outside of Philadelphia, however, the duties and responsibilities of the county commissioners as the executive and legislative body of the county are very great and their duties as to elections are only a side activity with them. Furthermore, as elected officers they are inevitably tied up in the factional politics of the county, so that it is difficult for them to be impartial in supervising elections. The code, therefore, relieves them of all responsibility for elections in the larger counties and provides that in these counties the county boards of elections shall consist of four members to be appointed by the governor, not more than two being of the same political party. This is the present method of appointing the registration commissions in Philadelphia, Pittsburgh and Scranton, and it has worked well over a period of twenty-five years.

Placing these appointments in the hands of the governor has been criticized in some quarters as giving him too much power. These critics, however, have overlooked the fact that he must appoint two members of the opposite party in each case and that all of his appointments must be confirmed by the state senate. This would seem to be a sufficient safeguard against arbitrary or factional appointments. Furthermore, it means that elections will be supervised by representatives of both parties who have been appointed by an authority outside the county, and who can, therefore, act more impartially because not directly beholden to the leading faction of their county.

STATE SUPERVISION

In order to provide a supervisory authority over the county boards of elections the secretary of the commonwealth, who at present has the state bureau of elections in his office, is made chief state election officer responsible to see that the county boards and local officers observed the provisions of the code. The code gives him power (a) with the approval of the governor and the attorney general to issue rules and regulations supplementing the provisions of the act; (b) to instruct county boards in their duties; (c) to receive and compute the returns of state and national elections; and (d) to investigate the administration of the act and frauds and irregularities and to report violations to the attorney general or district attorney for prosecution.

In order to carry out the responsibilities imposed upon them the county boards of elections are given power (a) to investigate and report to the court of quarter sessions on all petitions filed for the division of election districts; (b) to select polling places; (c) to purchase and maintain voting machines, ballot boxes and all other equipment; (d) to appoint registrars and fill vacancies in the offices of election officers; (e) to instruct registrars and election officers in their duties, calling them together whenever necessary; (f) to receive the returns of primaries and elections and to make the official count, and (g) to inspect systematically and thoroughly the conduct of registration, primaries and elections in the several election districts of the county to the end that registration, primaries and elections may be honestly, efficiently and uniformly conducted. The county boards are also required to investigate election frauds and to report any suspicious cases to the district attorney for prosecution.

PERMANENT REGISTRATION

Another fundamental change which the code makes is to provide for permanent personal registration of voters throughout the state. Here, again, Pennsylvania is only following the experience of her sister states, for at the present time more than half of the states in the Union use permanent registration, and sixteen of them use it throughout the state. Permanent registration will make for a cleaner and more inclusive registration list and will encourage voting by eliminating the burden of an annual personal registration in cities. It will also result in a very considerable saving of money. In the country districts it will make impossible the disfranchisement of voters which now occurs many times when the names of qualified voters are left off the assessors' lists, either by the negligence of registry assessors or copying clerks.

Under this system a voter must register personally and may do so at any time throughout the year except immediately before a primary or election. Once registered, a voter remains on the list so long as he lives in the district, unless he fails to vote at least once in four years. Adequate safeguards are provided, in that deaths are reported by the registrars of vital statistics, public utility companies report discontinuance of service and mail check-ups and personal canvassing of districts are provided for. Printed street lists are also provided. Another essential safeguard is the requirement that at the time of voting each voter must sign his name on a small card called a voter's certificate, the signature on which is compared with his signature on his registration record. Special safeguards apply to voters who cannot write. The voters' certificates are placed in a file by the election officers, constituting the list of voters at the election, and are returned to the county board of elections with the other papers. Under this system, fraudulent voting will involve forgery—a difficult and very serious crime.

A further safeguard in the act is the provision for the mandatory appointment of a district auditor for each election district in which voting machines are used and for the optional appointment of such officers in other districts. This office is necessary because in Pennsylvania the constitution requires district election officers to be elected by the voters of each election district. The district auditors are required to supervise the proceedings of the election officers and to observe and audit the count of the ballots or canvass of the voting machine. They are further required to make an independent report to the county board and as soon as the count is completed to telephone the results to the office of the county board which is required to be kept open for this purpose. The returns so received are to be made available for the information of the press and the public.

At present the polls are required to be kept open from 7 A. M. to 7 P. M. The code extends the closing hour to 9 P. M. giving additional time in the evening for the accommodation of the voters and making possible the polling of a larger number of votes on a single voting machine.

ASSISTANCE CONTROLLED

The code also limits assistance to voters in three ways, which it is believed will eliminate the very flagrant abuses which have occurred in the past under the guise of assistance. In the first place, assistance is only to be given to persons having an actual physical disability. Assistance will no longer be given to those who say they cannot read. Secondly, persons desiring assistance must so declare at the time of registration, stating at that time their exact disability. Finally, assistance may only be given by members of the family or of the household in which a voter resides or by two election officers.

The city charter of Philadelphia prohibits political activity by city employees. The code extends this provision so as to apply to all appointed public officeholders and employees throughout the state.

CAMPAIGN EXPENSES REGULATED

The bill also regulates campaign expenditures, not only restricting their character, but also limiting their total amount. In addition, it prohibits, under penalty of dismissal, the solicitation or payment of political contributions by any appointed public officeholder or employee. The principal restriction on the character of expenditures is the provision that watchers may no longer be paid, and it is also provided that public officeholders may not serve as watchers. The total limit on campaign expenditures is placed at 5 cents per party voter for each candidate at primaries and 2½ cents per registered voter for each candidate at elections. Expenditures made by committees in behalf of candidates are to be added to their personal expenditures in order to ascertain whether they have exceeded these limits.

The code puts teeth in these provisions by requiring the secretary of the commonwealth and the various county boards of elections to examine and investigate all expense accounts filed by candidates, and committees to ascertain whether illegal or excessive expenditures have been made, and if it appears that they have been, the attorney-general is required to bring *quo warranto* proceedings to oust the candidate from nomination or office.

The provisions of the Voting Machine Law of 1929, with certain improvements which experience has dictated, are incorporated bodily into the new code, which also contains a large number of other improvements and which irons out innumerable matters of confusion and conflict in the existing laws. If enacted, it is believed that it will effect a very substantial saving to the taxpayers and will give to the state of Pennsylvania a modern system of election machinery reasonably adapted to the needs of our time.

STREET RAILWAYS IN FOREIGN CITIES

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A concise survey of the street railway situation in Canada and Europe.

THE purpose of this paper is: (1) to outline the control of street railways abroad; (2) to indicate the extent of public and private ownership and operation; (3) to describe the policies of financing construction and extensions and the methods of handling deficits and surplus; (4) to discuss the policy with regard to buses and (5) finally to draw comparisons with the conditions in the United States.

Attention will be directed largely to Canada and to the countries of Western Europe excluding Spain but including Germany, Austria, Switzerland and Italy. The conditions in England, Germany and France will be dealt with in some respects in a more detailed way than those in the other countries of this group.[1]

CONTROL

As is well known there is a larger measure of centralized control and supervision over local government on the part of the national authority in many foreign countries than with us. This observation applies not alone in general but also to utility franchises and changes in franchises. These are approved by special acts of parliament or granted under a general law, but in the latter case the franchise must be sanctioned by the ministers of the interior, public works and finance (France) or the minister of transport (England and Scotland). The central government of Japan also exercises a measure of supervision over the organization and operation of the utilities. In Canada a federal board has limited authority over about one-third of the companies, while provincial boards function with respect to the others. In most cases such control has to do largely with the approval of extensions, particularly from the standpoint of safety.

The franchises in Belgium are granted by the cities concerned under the authority of a general law.

The control of the central government includes the sanction of the enterprise as a public utility, but it may also cover such details as fares, service conditions, salaries of personnel and the like. Accounting methods as well as policies of providing for sinking funds, retirements and reserves are sometimes prescribed. Finally, the state itself may subsidize the construction of undertakings, both those under public and private auspices.

Supervision over the execution of the terms of the contract is vested in the authority granting the franchise in the first instance, although this may be deputed to a representative of the central government as, for instance, in France to the prefect of the department in which the street railway is located, and in England to the minister of transport. But appeal may always be taken to the higher authority or some representative of it. This applies also to rate changes, service conditions, financing new projects and the like, in so far as such changes are not covered by provisions in the basic franchises or concessions.

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[1] A part of the material for this survey was secured through the coöperation of foreign service representatives of the U. S. Government in nine countries and the city of Danzig.

It seems, therefore, to be universally accepted that street railways are a public utility and, as such, subject to governmental control and supervision when privately-owned; and even when publicly-owned and operated, they are not given an entirely free hand in certain countries, viz., England, Scotland, and France.

PUBLIC AND PRIVATE OPERATION

Public operation is more generally accepted abroad than with us. It may be considered the characteristic method of handling the street car service in England, Scotland, Germany, Norway, Sweden and Japan. In Switzerland, Portugal and Canada many systems are owned and operated by the cities, some in France and all in Italy and the Netherlands.

The conditions in Germany, England and France may be of special interest because of recent developments, particularly as regards the so-called "mixed companies." They will be considered in the following paragraphs.

More recently France has adopted the policy of private operation but with close financial coöperation on the part of the municipal authorities. This approaches a partnership relationship, such as is rarely met with in cities in the United States. What steps will be taken in France in the next ten or fifteen years when many franchises expire cannot, of course, be forecast. It may be pointed out that the customary franchise provides either that the city automatically comes into possession at the expiration of the franchise or that it may purchase at specified periods. The imminence of the expiration of the franchise and the consequent uncertainty as to the future is advanced as one reason for the lack of progressive management in several French cities.

In *France* a not uncommon method is that of the *regie interessée, i.e.*, governmental participation. In its simplest form it results in government ownership of the lines and private equipment and operation with the possible provision that the city guarantee a minimum profit to the company with or without a provision for sharing in surpluses. Under the terms of the lease regular payments must be made to the city to cover interest and amortization charges.

Another form of coöperation between public and private interests appears in the "mixed company."

This form of organization was expedited by the financial stringency during and following the war when municipalities, particularly those in Germany and France, found themselves in credit difficulties. The mixed company is defined as "any economic undertaking under general law in which the public and private organisms jointly share in the capital and exercise the administration."[1] The purpose of this set-up is to secure needed capital and to ensure the application of commercial principles and enterprise on the one hand and to reduce, if not to eliminate, the inefficiencies that may accompany bureaucratic and political administration as well as the exploitative tendencies of bankers and entrepreneurs on the other. It has been hailed by some as a happy solution of the problems of utility control while others judge it to be but a transitory makeshift due to the unfavorable conditions on the credit market. This latter position finds support in the fact that this type of organization has been more generally adopted in Germany than elsewhere, in which country financial stringency has been particularly distressing. According to a recent report before the International Union of Local Authorities (July 1930, Antwerp), there were in 1920, 377 instances of such companies in 159 German towns and cities. These covered all types of enterprise. The data from Prussia show that fifty-nine or about one-fifth of the street railway companies are organized as mixed undertakings.

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[1] *Municipal Review* (London), October 1930, p. 389.

The mixed company is, however, by no means a recent development as instances are to be found in England, Belgium, Switzerland and Germany from the end of the nineteenth century to the present date. In recent years France, Holland, Hungary, Finland, Greece and Czechoslovakia have on occasion turned to this type of organization.

Numerous advantages are to be listed for this combination of private and public capital and enterprise. Entirely apart from the financial advantages that are more or less obvious, the following are noteworthy:

(a) Utilization of the best economic and industrial experience.
(b) Independence of legal and administrative restrictions.
(c) Progressiveness in dealing with new projects and business problems and readily adjusting policies to changing conditions.
(d) Increase of sense of responsibility on the part of managers and staff.
(e) Possibility of making extensions beyond boundaries of district and coöperating with other communes.

As was pointed out above, the cities frequently contribute over one-half of the capital and thus assure for themselves a controlling influence on the policies of the company. Although sharing in the surplus their representatives are naturally interested in maintaining as low rates as are consistent with sound business considerations.

In spite of some dissenting voices the majority opinion is favorable to and sanguine of the future possibilities of the mixed company, particularly in connection with those enterprises which are of an intercommunal character.

The influential *Deutsche Staedtetag*, an association of the municipal authorities in Germany, looks with more favor on the separate management of public utilities under a private corporation with or without limited liability, but financed and controlled entirely by the municipality. By this method the cumbersomeness at times attendant upon direct administration under the local council is avoided and technical and business principles are more readily observed. Parenthetically it may be noted that in the trying years after the war when adjustments of policies and fares and considerable flexibility in handling the budget were more or less mandatory, the cumbersomeness of control by the magistracy and councilmanic committees was particularly marked.

Private companies of the type described are here and there operating the street railways. There are those who are convinced that this is the best possible type of organization. The city of Berlin offers an excellent illustration of private company organization. Owning one of the several systems it gradually bought up a majority of the stock of the others so that it now controls the whole of the transportation system including the buses and rapid transit. What is more a system of universal transfers has been introduced whereby a passenger may make a single transfer from one system to the other. This enables him to travel up to a maximum of 22 miles for a five-cent fare. The original stock companies are continued although the systems are coördinated under a commission consisting of sixteen members made up of eight members of the board of aldermen, four representing the city administration, two distinguished citizens acquainted with transportation matters and two employees of the operating companies.

The complete figures from *Germany* as of 1925–26 show that in a total of one hundred and forty-nine systems, one hundred and ten were operated under the auspices of the local government, thirty-five under a purely private company and four through a combination. Of the one hundred and ten, however, only sixty were actually operated as a regular governmental function for twenty-six were managed indirectly, *i.e.*, through the organization of a private company incorporated by the city for this purpose and serving as the agency of the city, while twenty-four others were being administered through a mixed company, also incorporated under the private law but financed and controlled by the teaming up of public and private interests. In the majority of this last group, the cities concerned owned 51 per cent or more of the stock of a company and thus are assured a dominating influence over managerial policies.

In *England* the important tramway systems are for the most part municipally operated. The number of cities operating their own lines was one hundred sixty-seven in 1927 with a single track mileage of 3,249 while private companies controlled 66 lines with a mileage of 1,052. This marks a reduction of 28 private lines in the space of 14 years. In this same year, *i.e.*, 1927, the capital investment was 84 million pounds in municipal companies and 19 million in private.

Although the municipalities uniformly have the right to take over the street railway systems at the expiration of the franchises of privately owned companies—nearly always with compensation to the latter—it is only in Switzerland that the tendency to take advantage of this right appears to prevail. As has already been pointed out, however, there has been a gradual diminution of those systems under the control of private companies in England. This is also true of Germany.

On the whole there is no such sharp conflict of opinion abroad regarding the matter of public and private ownership and operation of street car companies as in this country. This is due to the historical development covering a relatively long period of time and also to the fact that the public has enlisted the services of experienced business men of a high type on the committees of the common council, as in England, or to the fact that the public servants to whom, at least until recently, the administration of municipal affairs has been entrusted, have maintained high professional standards, as in Germany.

This statement does not imply that a line is not drawn between public and private advocates. But the issue is not so definitely raised with regard to the street car systems, some of which have long been under public control, as to other utilities or near-utilities. It is a matter of common knowledge that the Labor party in England and the Social Democrats in Germany and other countries would "municipalize" a large number of services. It is this general tendency that has called forth an influential and widespread opposition, but this does not direct itself so much against the well-established municipal utilities as against an extension to new enterprises.

FINANCING

The most crucial aspect of control has to do with financing and its relation to rates. The guiding principle here seems to be that the utility is to be managed as a public service and not as a profit-making enterprise. In the case of private management the company is then the agent of the city or it may be in actual partnership with it. Under any circumstances its rewards are to be looked upon as interest on the investment rather than as profit, although some franchises provide a kind of premium for efficient and progressive service.

The partnership principle appears when, as in certain French cities, the municipality grants subventions for construction or advances funds to make up deficits to secure a reasonable return. It may share in the surplus beyond an agreed-upon figure at the end of the franchise. This principle appears in an entirely different form as the method of organization in the so-called "mixed companies."

As might be expected where a city makes up the deficit and the terms of the contract do not offer a special incentive for improvements of service and operating efficiency, the private companies lose interest in such improvements even though it is understood that the accumulated deficits are to be repaid when the franchise expires or in case of purchase by the city. This happens particularly when the company has no influence on rate changes. Marseilles is cited as an example[1] of a company which regularly operates on a deficit because of lack of adjustment in fares. This deficiency is shouldered by the city and, therefore, there is no risk to the company. The latter seems to have no particular interest in a possible surplus.

Efforts have of course been made to correct such conditions. Dr. Roy, an expert in these matters, refers most approvingly to the new contract between the city of Nancy and the management holding the street railway concession in that city. This is an illustration of a *regie interessée.* The basis of the contract is that the budget shall be balanced each year by means of an adjustment of fares. The contract consists of a number of precise provisions among which the following, coming under the heading of expense, are of special interest:

1. Administrative expense—2 per cent of total receipts of urban lines.
2. Renewals and repairs—5 per cent with a normal maximum of 400,000 fr.
3. New construction—5 per cent.
4. Fixed annuity to cover fixed charges on capital on the 1913 basis.
5. Premium for economy of operation to be calculated by reference to 1913 conditions as to number of kilometers covered, improvements in rails, materials, etc.
6. Interest charges and provisions for sinking fund to amortize loans from city.

In case the reserve amounting to 1.2 million francs sinks to 300,000 fr. fares are to be raised and services may be curtailed. On the other hand, if surplus in 2 consecutive periods exceeds 300,000 fr. the city reserves the right to determine the method of using the excess amount, especially with the possibility of lowering fares. At the end of the franchise the surplus is to be equally divided between the city and the company.

The contract aims to balance the budget, limit profits, improve and extend service and keep fares at a minimum consistent with the above aims.

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[1] Dr. René Roy in *Revue Municipale,* October, 1927.

So far as is known to Dr. Roy, who has written extensively on the French situation, this is the most carefully planned method of bringing about an arrangement which aims to keep fares at a minimum and still to supply an incentive for efficient and progressive management.

It may be pointed out in passing that the Japanese government guarantees the private lines a profit of 7 per cent. Whether there are collateral provisions for control, extension of service, etc., was not reported in the source used.

An exception must be made to the above statement that profits beyond a fair return on the investment together with some financial recognition of efficient management is inconsistent with principle of public utility management. This does not hold when the utility is operated by the municipality which may use its excess profits for the purpose of reducing tax rates and contributing to the public welfare.

In Germany the ratio of the amounts paid by the public utilities and the total paid into the city treasury, including, of course, the revenues raised by taxation, was one to five in forty-three of seventy cities before the war and in the year 1926–27 it was generally one to seven, *i.e.*, the utilities contributed 11 marks of a total payment of 76.3 marks per capita.

As for England, it was recently reported that the tramways in the cities had made a net direct contribution of 1,214,000 pounds during the past six years to the reduction of taxes in the areas of operation. This is an average of about $1,000,000 per year. In addition, the total payments for the same period in the form of rates (local taxes) and taxes combined were nearly 6,000,000 pounds or $5,000,000 per year. Finally permanent way maintenance—usually meaning the paving or upkeep of a 16-foot roadway—cost the tramway systems 9,658,000 pounds for the six years covered. This is looked upon in part as a public contribution.

The above contributions were made possible not through a system of high fares because the fares are not out of line with those charged on private lines. They are uniformly much lower than in this country.

In support of this observation, reference may well be made to a most comprehensive report prepared in 1924 by a committee of the Electric Railway Association which visited a number of European cities for purposes of observation and comparison. The following flat fares are reported as typical: Berlin, 5 cents; Amsterdam, 4; Milan, 2½; Rome, 2½; Paris (rapid transit), 2.4 cents for second, 4 cents for first class; London, 1 cent for 1.2 miles, 4 cents for 2.4 miles, 6 for 3.6 miles and 8 for 4.8 miles. With the exception of German cities, transfers are not allowed on most systems.[1]

The London schedule is typical in that a large number of cities have adopted a zone system (*i.e.*, 25 of 47 tram roads investigated). In addition most cities sell special workman's tickets at a marked reduction. School commutation tickets are also generally sold at lower rates. Finally season tickets are quite customary running for a week, a month, a quarter and even, as in Zürich, for a year. In order to stimulate travel in non-rush hours, special rates are offered in certain English cities between the hours of ten and five.

The committee explains the discrepancy between the fare levels in European and American cities as due to four major causes: lower wage scales for the personnel, the absence of a transfer system, density of population and a lower average distance ridden per passenger—one mile in Europe and three in the United States.

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[1] *Electric Railway Journal*, December 10, 1927. Recent returns from nine countries—exclusive of Germany and England—show that in 1931 the fares for a continuous ride of average distance were four cents or less in seven countries while they were 5.1 cents in Norway, 5.6 cents in Danzig and 4.5 cents in Vienna.

Turning finally to the financial conditions of the foreign systems, the returns indicate that they are in "good" condition except in Portugal and Italy, where they are only "fair," and in France, where they are said to be "poor."

An analysis was made of the annual reports of a number of British cities. They show that in spite of the post-war deflation, the present depression and the competition with buses, the municipal companies are weathering adverse conditions with success. There has been a gratifying increase of the number of revenue passengers carried while the ratio between gross revenues and operating expenses has been improving. Payments on carrying charges and allotments to sinking funds have been maintained.

On the whole—and this applies to both public and private companies in Canada and Europe, with the exception of France—there has been no such severe general depression period in the street car industry as there was in this country during recent years. The chief reason for this situation in the United States is recognized as the tremendous increase in the use of the private automobile and the motor bus. Although the bus has been more and more widely introduced as a public conveyance, the number of privately-owned automobiles is proportionately much lower abroad than in the United States.

BUS TRANSPORTATION

The most serious dislocation in the natural development of street car services is the rapid extension of the use of buses for transportation purposes. The bus has rapidly gained in popular favor and has thus become a serious competitor of the tramways.

In the early years of this development no systematic effort was made to protect the street cars from this competition nor to subject the buses to the type of supervision and control which was prescribed for the street cars. With a lesser investment, no charges for upkeep of streets except in the form of inadequate license fees and with the privilege of running at profitable hours, the buses soon became, to put it mildly, a disturbing factor in the local transportation situation. But order is being brought out of what threatened to become chaos. A stricter control and centralization of licensing authorities—in England there were over 1,300 such until recently—consideration of the proper coördination of street car and bus services, supervision of construction and maintenance of the buses are some of the characteristic advances.

Although the street car companies were slow at the outset to appreciate the possibilities of the bus as an auxiliary to the electrical system, there has set in more recently a marked tendency to establish bus lines as a definite part of the transportation system operated under the electric railway system. For instance, on the municipal lines in Birmingham and Edinburgh 24 per cent of the revenue passengers in 1927–28 were carried on buses. During the three years 1927–30, the number of bus passengers in four of the large German cities (Berlin, Stuttgart, Chemnitz and Koenigsberg) increased from 5,351,000 to 8,340,000 or about 55 per cent.

In all of the countries considered except Portugal and the city of Danzig it is reported that the prevailing tendency is to use the bus as an auxiliary and integral part of the street car system, operating under one and the same system, but usually transfers are not available between car and bus lines. The systems in France, Italy and Portugal may be cited as exceptions to the rule as regards transfers.

On the other hand in a number of cities both in England and Germany the operation of buses is in the hands of private companies. London may be cited as a striking illustration of this, as the London County Council operates 1,800 trams while private business operates over 5,000 buses. Incidentally there is no other foreign city where the street cars are actually outnumbered by the buses. In Paris the ratio is somewhat more than 1 bus to 2 cars (1,371: 3,100).

In general the definite trend is toward an increase in the number of buses. It has even been argued by some that the bus would and should entirely supplant tramcars as being more flexible, less expensive from the viewpoint of original investment and operation and more popular.

No better refutation of this position has been advanced than the statement of the engineer of the Liverpool system, who analyzed the local transportation problem with reference to the consequences of a complete substitution of buses for cars. He pointed out that if the 640 trams required during the rush period in Liverpool were replaced by buses it would require 880 buses or an increase of 38 per cent of the total number of vehicles. The operating expenses would be practically the same, but figured on the seating capacity the bus seat would cost 57 per cent more than the car seat and the road space per passenger would be much greater for the buses than the trams. Furthermore, the buses have a shorter length of life as compared with cars, it being estimated that the former last from seven to eight years and the latter fifteen to twenty years. The sinking fund provisions per mile traveled would, therefore, be decidedly higher for buses. He finally indicated that the tram system contributed to the road upkeep, having spent £1,150,000 during the preceding five years, while this expense would under exclusive bus operation be paid by the city.

Another interesting comparison along somewhat different lines was recently made by the Canadian Electric Railway Association.[1] It is based on the area of the streets actually used in a typical city during rush hours and a census of the passengers in the street cars, buses and private autos. Although the cars carried 78 per cent of the passengers they occupied only 24 per cent of the street space and the buses carrying 1.3 per cent of the passengers occupied 1.4 per cent of the space. On a square foot basis the tramcar passengers required an average of 5.9 square feet of street space, the bus passengers 18.7 square feet and the auto passengers 72.5 square feet. Referring to the results of the actual count it is estimated that it would require 45 autos to carry the same number of passengers as the average street car since the average number of passengers in the autos covered in the count was 1.93.

The writer is aware that these arguments are far from conclusive, particularly in view of the fact that in holding up traffic when taking on and letting off passengers, some allowance should be made for the space occupied by the various vehicles which are held up at practically every stop. Nor can the dangers incident upon the speeding up of autos and buses in trying to pass street cars between stops be overlooked.

Two possible remedies for reducing

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[1] *Electric Railway Statistics,* August 1930.

these handicaps may be cited. The first is the rerouting of cars so that the most congested area of the business district is entirely free of street car traffic. In London, for example, an area of three square miles (2 x 1½) and in Paris one of three-fourths of a square mile is entirely closed to street cars (Report of 1923). The advantages of this policy are obvious and in view of the low rate of speed on account of congestion, passengers who have business in the restricted area suffer no great loss of time by reason of the necessity of walking.

A second remedy—introduced in Liverpool—is to segregate the street car lines on arterial roads of a width of one hundred and twenty feet so that an average speed of 20 miles per hour may be maintained. The tramway line is 29 feet wide and is located centrally, being set off by a low fence. It is pointed out that it is possible by this means to approximate subway speeds and at a much lesser cost, while traffic hold-ups are practically eliminated.

As was pointed out, there are those who scout the validity of such arguments and remedies and urge the entire elimination of the street car as a means of transportation. They lay particular emphasis on the advantages of discharging and taking on passengers at the curb whereby the center of the street is continuously open for fast moving traffic.

Whatever the arguments pro and con, the opinion among engineers and managers of street car companies in foreign cities seems unanimous that the street car is in no danger of displacement by buses except in the less congested and outlying areas. For these the bus is better adapted.[1] This observation applies only to the larger municipalities. In cities of a population of 100,000 and less, according to the *Canadian Annual Review* (1928–1929, page 215), the street car is doomed.

In the recent comprehensive report of the Royal Commission on Transport (England) it was also held that the tramcar is obsolescent, if not obsolete, except in the great cities and large towns.

In recognition of these circumstances a fairly rapid movement is under way to substitute buses for cars in lines where the traffic is less heavy. Such lines are increasingly affiliated with the street car system. In metropolitan centers the network is being extended to near-by communities as well, although in England independent private companies are extensively operating under the authority of the recently constituted area commissioners.

Competition between trams and buses has stimulated the management of the former to attempt to attract patronage by increasing speed, reducing noise and offering more comfort for the passengers.

The annual reports from a number of English tramway companies indicate that reconditioning and modernizing of cars is under way on a large scale. Edinburgh, for example, is engaged in "pullmanizing" its trams. This consists in installing upholstered seats, duralumin fittings, 40-watt, 90-volt frosted lights, and air brakes. The maximum speed is raised to 30 miles per hour. Nosing and jazzing of cars, the source of so much discomfort, are being done away with by keeping the rolling stock in first-class shape. Wrought steel gears and pinions are used to reduce the noise. Furthermore, fares have been lowered so that 70 per cent of the riders pay only 2 cents per ride, *i.e.*, less than pre-war rates. These innovations are directly chargeable to the competition with private bus lines. They have enabled the street car company to maintain its leadership in local transportation.[1]

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[1] Report of Committee of American Electric Railway Association, 1924.

It is not intended to convey the idea that this progressive spirit is generally characteristic of the European cities. It would appear from a rather extensive field survey made by Marquis F. C. Cusani of Italy (see *Electric Railway Journal*, June 1929) that only a limited number of systems in Germany, Italy, Holland, Finland, Denmark, and the Scandinavian countries have profited from the technical advances in street car design and construction made in the United States. Single truck cars predominate. Methods of control and braking are generally far from up-to-date. However, the systems of Milan, Barcelona, Berlin and Munich are especially cited for progress made in one direction or another.

TRACKLESS TROLLEYS

Passing reference should be made to the trackless trolleys, introduced first as an experimental measure in 1911 and then somewhat more generally in the post-war years. Their chief advantage is, as the name implies, that track maintenance—no insignificant item in the operation costs of a tram company—is entirely eliminated. They are also quieter and less obstructive of traffic because they may draw up to the curb when taking on or discharging passengers. The trackless trolley has been introduced in England, France, Germany, Rome and the United States. It is looked upon with favor by some traffic engineers in these countries and has met with favorable comment as a possible substitute for tramcars in the report of the Royal Commission on Transport referred to above. But on the whole the trackless trolley may be said to be still in the period of experimentation.

Originally adopted in England, it has been most widely used in this country. For this reason the following data covering the years 1925–29 may be of interest. Although there is little change in the number of cities using this type of transportation, the aggregate of car miles run and passengers carried has steadily mounted. In fact, it has increased from 1925 to 1929 by 100 per cent or more on both items, as is made clear in the table.[2]

Years	*Cities*	*Passengers Carried*	*Car Miles Run*
1925–26....	17	32,672,110	3,544,000
1926–27....	19	37,520,338	4,414,543
1928–29....	16	75,381,637	7,075,802

It should be pointed out, however, that the two-thirds of the traffic took place in three cities of less than 110,000 population.

In view of the above data the conclusion is warranted that the trackless trolley has not been adopted on any considerable scale in English municipalities as a substitute for the electric railway trams nor is its use spreading to any extent.

CONCLUSION

In concluding, attention may be called to the partnership arrangements that have been made between some public authorities and private companies as being perhaps the most instructive phase of European organization, *i.e.*, from the American viewpoint. Even this is not as significant today as it was three or four years ago when the street car companies in this country seemed to be in such dire straits. More recent reports indicate that a marked improvement has set in with respect to patronage and net earnings. But should it prove to be necessary in the future for companies to increase fares above the present high level in order to balance their budgets and pay a fair return on the investment, the question can and should be raised as to the desirability of municipal aid. It will not be denied that cheap transportation is essential to public well-being and that a city is justified if not called upon, to spring into the breach when private agencies fail to provide it. In case such action is contemplated, we can well take advantage of the wealth of foreign experience in handling this problem whether by means of the concession with a guarantee of a reasonable return, outright municipal ownership, or a mixed arrangement in which private and public interests combine.

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[1] *Electric Railway Journal*, November, 1929.

[2] See *Municipal Year Books*, 1925–29.

Should municipal participation seem advisable, it would be particularly advantageous to explore the possibilities of operating street car companies as private corporations in which the cities concerned would hold a considerable part if not a majority of the stock. Indeed, as time passed, all of the stock might be bought in by the city, as has happened in a number of German municipalities. The advantages of running electric car companies under this type of organization were outlined above. The results have proved the soundness of the principle, and one may safely conclude that the experimental period has been successfully passed.

From the evidence on hand it would also appear advisable for us to take a leaf out of the book of certain European cities with regard to a systematic effort to reduce the noise of street car operation. More attention to poor rail joints, worn running gear and trucks would do much toward making street cars more attractive to the riding public and, incidentally, materially lessen the total noise output of our American streets. The companies in a number of American cities are giving attention to this problem, but a more general campaign is highly desirable.

The most signal improvement that might be made in our street car service, *i.e.*, if we wish to profit from customs abroad, would be a definite limitation on the number of standees. This is dictated by considerations of both comfort and decency. In view of our lamentably high standards of congestion of buildings in the business district, such a measure may be beyond the realm of possibility. Belated action in zoning and city planning, based on transportation, as well as other factors, bids fair to carry penalties for street car companies and their patrons for years to come. But an adequate treatment of this subject obviously goes beyond the scope of this paper. It deserves, however, a special place on the program of any organization dealing with municipal problems. If not attacked more constructively and aggressively, we shall soon find ourselves entangled in a transit situation that cannot be straightened out but must simply be endured.

RECENT BOOKS REVIEWED

City Manager Year Book, 1931; Papers and Addresses of the Seventeenth Annual Convention of the International City Managers' Association held at San Francisco, September 24–27, 1930. Published by the Association, Chicago. 304 pp. $2.00.

The sub-title correctly describes the book—it is not what I should call a Year Book at all. For Year Book facts consult the annual number of *Public Management*, the city managers' monthly magazine. That annual number is an admirable job, by the way, and from it I learned some things that were quite new to me such as that of the cities of over 10,000 population one in every five now has the city manager plan—did you realize that?—that there have been 188 promotions from city to city and that about half the managers are being selected from out of town. It is by all odds the most precise and competent survey of the current state of the city manager movement that has ever been published and reflects credit on the city managers' secretariat.

This Year Book, which ought to be called "Convention Papers," has been edited by clearing away an underbrush of introductory speeches and petty dialogue which encumbered most sadly some of the Association's earlier volumes, and every paper gets down to business in its opening paragraph, which is proof to me that the actual opening paragraph as delivered at San Francisco was boldly clipped off by Mr. Ridley's intelligent editorial shears.

And this leads us neatly to the question whether much more could not have been cut out and much expense saved. For, of course, the 39 papers are not of uniform value and some of them, while useful in a convention symposium, need never have been given the further dignity of printing in extenso if the editor of the volume had felt free to pick and choose. The National Municipal League has been through this experience: The League's annual convention proceedings, stenographically reported, were printed in such volumes as this for years; it is hard to imagine that anybody ever read such a volume through and as a means of burying the high point of the conventions in a sea of type it was perfect; so we discontinued the annual cloth-bound volume of *Proceedings* and the editor of the Review thereafter printed such of the papers as seemed to him to deserve printing; nobody ever bewailed the disappearance of the others. Such a policy, Mr. Ridley, would save your Association perhaps half the cost of the Year Book, provide *Public Management* with some rich material and give to the most useful of the papers a proper emphasis.

In an earlier day I recall jeering at the city managers' conventions for drawing all their speakers from the ranks of city managers; that is evidently all changed now, for 30 of the 39 speakers at San Francisco were not city managers—they were specialists like Bruce Smith and August Vollmer talking police problems, research bureau men, college professors. Good!

O. E. Carr, city manager of Fort Worth, contributes a paper entitled "Marketing Municipal Bonds." He endorses the serial type, for instance. But after the paper is duly discussed, nothing visible comes of it, although Carr speaks with unusual authority as one who has managed five cities. The National Municipal League, whose committee and secretariat produced a model municipal bond law, got nearer to brass tacks in its formulation of theory and then was in the position of having no power to put it over. I want to see the city managers make competent practical examination of theories of administration whether offered by their own members or outsiders, adopt standards and revise them incessantly, and have technical Kilkenny cat fights over them! But that requires more secretariat than they have heretofore had. However, the situation is changing.

The City Managers' Association has some money now for research and probably begins thereby a new course of usefulness. Two city managers have been given traveling fellowships; Holt of New London, Connecticut, will investigate salvaging of municipal wastes and Buechner of Gladstone, Michigan, will work on workmen's compensation insurance. A research director, Donald C. Stone, with an office in Chicago, will carry forward a project to standardize street sanitation records, and other work of the kind will doubtless follow. Then will probably ensue still better city manager conventions where model methods, standards, record systems are submitted by specialists for formal acceptance by the managers and for adoption in their respective cities. Whereby, we may hope democracy may be led into marriage with science!

Now, let's see—Oh, yes—this was to be a book review of this bound volume of convention papers! But I have already indicated that such a volume is one that nobody would think of really reading! And I must stay true to my thesis!

Richard S. Childs.

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Psychopathology and Politics. By Harold D. Lasswell. The University of Chicago Press, 1930. iv, 267 pp., appendices and index, 18 pp. $3.00.

The theme is that politics cannot become political science unless politically important persons can be analyzed by the free-fantasy method (as well as the logical), and typologies established. Freud replaces Bryce so that men may be studied as trees are, whether growing or decaying. "We want to discover what developmental experiences are significant for the political traits and interests of the mature" (p. 8). . . . "our faith in logic is misplaced" (p. 31). "The mind is a fit instrument of reality testing when both blades are sharpened—those of logic and free-fantasy" (p. 37).

The author's ambitious and somewhat confused project is sketched in chapter one. Chapter two gives "the psychopathological standpoint in its historical setting," through three pages of theory and ten pages of Freud. Despite the criticisms of Adler, Jung and others, Freud is followed throughout the book with an implicit and naïve enthusiasm. Chapter three completes the Freudian set-up. In the fourth and fifth, we "review the current criteria of political types" "on a three-fold basis: by specifying a nuclear relation, a co-relation and a developmental relation" (pp. 14, 49).

We then investigate "somewhat homogeneous groups of politicians" to bring out "significant differences in their developmental history" (p. 77). Political agitators are examined in six cases (Chapters 6 and 7, 49 pp.) reaching the broad conclusion, "the agitator values mass responses" (p. 124) with which we began (p. 78). This truism is Freudianized through pp. 124–6.

Political administrators (Ch. 8, 26 pp., 4 cases) are found to differ from agitators "by the displacement of their effects upon less remote and abstract objects" (p. 151). In certain instances "the differences in specific development are principally due to the cultural patterns available for identification at critical phases of growth" (p. 152). The language may be new; the thought is as old as Aristotle.

We then consider "Political Convictions" (non-juristic, of course), and by means of the nine cases and twenty pages of Chapter 9, find "that the significance of political opinions is not to be grasped apart from the private motives which they symbolize" (p. 172). Therefore, we proceed to "discuss the bearing of personality studies on general political theory and (to) criticize existing methods of study" (p. 14). This gives four chapters (10–13): The Politics of Prevention, The Prolonged Interview and Its Objectification, The Personality System and Its Substitutive Reactions, and The State as a Manifold of Events. These fix one's impressions that the camel (Freud) is thereby in complete possession of the tent (Politics). In these 96 pages a host of selected authorities and generalizations, mostly with odd and far-flung names, crowd out the cases, and we conclude: "When the state is seen as a manifold of events the conditions of whose occurrence are to be understood, the theoretical foundation is laid for both the intensive and the distributive inquiries upon which the politics of prevention can be built" (p. 267). Many historians have previously borne witness to that.

This book has much for those who relish a technological psychiatrization of "the low down." The space allotted to intercourse, masturbation, and sodomy will not repel disciples of Freud. The author, obviously, is not bent on evidencing certain of A. Flexner's criticisms; and, on Montessorian principles, such energetic activity must be respected. But the reviewer was left wondering, first, how the method can be applied to any save the lower ranges of personnel work; and second, what advance we have here over biographical material of the sort afforded by Naunton, Clarendon, Wraxall, Greville, etc. This emphasis on "facts not pretty" (p. 14) may yet, despite tangled style and defeatist composition, help neutralize somewhat such deceptive forces as modern officialism and journalism (among others). In the present drift-era of our politics many more such dream-books will be produced.

W. L. Whittlesey.

Princeton University.

Airports—Their Location, Administration, and Legal Basis. By Henry V. Hubbard, Miller McClintock, and Frank Backus Williams. Cambridge: Harvard University Press, 1930. 190 pp. $3.50.

Airports present a fresh complication in the official lives of municipal authorities and city planners. The rapid development of the automobile caught most cities napping and there has been evidence of a common determination to solve in advance the problems presented by the new aviation industry and to use as much imagination and judgment in our solutions as we wish our forefathers had used in planning their streets and roads for present use.

This is much easier said than done—and books such as this first volume of the Harvard City Planning Studies are of assistance in comprehending the factors involved in airport design, management, location, and legislation.

The arrangement of the books is particularly good, and the tables in the appendix with tabulations of existing experience in the United States in respect to airports, will be welcomed by those interested in statistical data on this subject.

The detailed studies of ownership, management, and administration made by Mr. McClintock will perhaps be of greater value to municipal officials contemplating acquisition and operation of airports, than to the planning profession, although there is much material here which not only throws light on existing difficulties, but indicates possible future problems to be met by the planner. Section 1, the Airport in the City Plan, by Mr. Hubbard, and Mr. Williams' discussion of Legislation will be of equal value to municipal officials and to planners.

Regulatory and restrictive legislation, as well as physical and economic factors, are beginning more and more to affect the location of airports. The postscript to References on the Law of Airports (pp. 184 and 185) summarizing the recent court decision in the Cleveland Airport case is suggestive of future complexities.

Perhaps the largest contribution of the report lies in its challenge to considered judgments, for, as Mr. Hubbard points out in his introduction to Part I, "To come to a decision which may not later bring contempt rather than honor to its authors, all the various factors which are concerned in this specific decision should be set down and evaluated at their relative worth. This is not a thing which can be done mechanically. . . . Neither can any community guide itself with safety by copying the present accomplished results in another community."

Although recognizing the thorough excellency of this work we cannot but express regret that airports should have been selected as the first subject of research in the Harvard Planning Studies. The field is too new to lend itself well to research and city planning has been handicapped so long in so many phases that another choice for first study might have proven more widely useful. It is hoped that other studies may follow shortly.

Russell Van Nest Black.

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The Administration of Damage Claims in New York State Municipalities. By Robert Myron Paige. Syracuse University, Syracuse, New York, 1930. 56 pp. 1930.

This report presents the findings of a survey made under the direction of the School of Citizenship and Public Affairs of Syracuse University and the New York State Conference of Mayors and Other Municipal Officials. The phases of the problem of damage claims investigated were the effectiveness of the common law and statutory safeguards in preventing imposition, the methods which should be used in the investigation of accidents and the preparation of cases for trial, and the various ways of reducing the number and amount of claims filed. A separate section presents findings on particular types of actionable defects, such as liability for streets and sidewalks and liability for the maintenance of parks and playgrounds. The following are some of the recommendations contained in the report: the inclusion in municipal charters of the requirement that corporation counsels be given notice within five or ten days after an accident of the intention to file a claim for damages; the enactment of ordinances that will prevent dangerous conditions and that will require the posting of a bond by those who have good reason to create such conditions; the development of administrative methods that will bring about the prompt and thorough investigation of every claim, the elimination of political expediency in the settlement of claims, the contesting of every questionable claim, the adoption of cost records for each claim handled, and the employment of inspection officers to watch conditions and correct defects.

Martin L. Faust.

A Guide to Statistics of Social Welfare in New York City. By Florence Du Bois. Welfare Council of New York City, 1930. 313 pp. $2.00.

The Research Bureau of the Welfare Council, for this their third study, considered some 1,500 separate sources of statistics and selected 344 studies as sufficiently scientific and authentic to justify indexing. The volume purposes to supply an index of statistical information relating to the welfare of the people of New York City and to promote the use of this material, as well as to indicate the extent of statistical information now available in each aspect of social welfare. Thus, because of the material and the excellent arrangement and clear indexing, this book ought to conserve a great deal of the time and energy spent in searching for statistics and to prevent duplication of material already available. Such material in concise form is a genuine factor in the formulation and criticism of social welfare programs.

Edna Trull.

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County Manager Government. Compiled by Helen M. Muller. Vol. VI, No. 8 of The Reference Shelf Series. New York: The H. W. Wilson Company, 1930. 173 pp. $.90.

The H. W. Wilson Company devotes one of its "Reference Shelf Series" to the subject of *County Manager Government.* It is edited by Helen M. Muller, compiler, and as usual contains briefs *pro* and *con*, an elaborate bibliography and reprints of usable material. That Miss Muller had the coöperation of Dr. Russell Forbes and Howard P. Jones is ample assurance that the National Municipal League point of view is adequately and sympathetically represented.

Clinton Rogers Woodruff.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Report on a Survey of the Organization and Administration of the State Government of North Carolina.—Washington, 1930. 323 pp. At the request of Governor O. Max Gardner, this survey was made by the Institute for Government Research of the Brookings Institution. The Governor's desire for a complete, modern, practical set-up of government reorganization, and four months of intensive study by several members of the Brookings staff resulted in twenty-two pages of specific recommendations for constitutional, statutory and administrative changes. Through this there is a "central thought permeating every chapter—the thought of unification, of control for the purpose of developing flexible responsiveness of all departments and divisions to intelligent direction. The adoption by North Carolina of even some of these recommendations should promote increased efficiency and economy in the conduct of the governmental affairs." (Apply to Institute for Government Research, Brookings Institution, Washington, D. C.)

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Crippled Children in Michigan.—Lent D. Upson and Opal V. Matson. 1931. 188 pp. The will of the late George H. Cummings of Detroit provided that the bulk of his estate should be expended for the care of crippled children. The trustee of the estate, Harold H. Emmons, determined that the purpose of the will could best be accomplished after a survey, conducted so as to be of value to himself as trustee of the estate concerned, and also to others. It was to this end that the study was made. Investigation covered the discovery of cripples and the prevention of their handicaps, whether congenital or the result of disease or accident, and the care needed—medical, surgical, convalescent, educational, vocational and recreational. Certain provisions of the Michigan law deal with the care of crippled children, but there are still many gaps to be filled by private philanthropy. Each of the nine chapters starts with carefully drawn conclusions, so that the volume will be useful generally, as well as to the trustee of the estate. For him, the authors point especially to the need for discovering pre-school cripples, where remedial work will be effective, and for additional convalescent facilities. (Apply to Harold H. Emmons, 3400 Union Guardian Building, Detroit, Michigan.)

Recommended Minimum Requirements for Fire Resistance in Buildings.—United States Department of Commerce, 1931. 58 pp. The Building Code Committee of the Bureau of Standards adds this bulletin to its series giving basic requirements for public safety and economy in construction. This report supplements and expounds the building code phrase commonly used in relation to fire-resistance construction, "safety or welfare of those in or about buildings." Details of design must definitely limit the chances for a fire to get a start; buildings must be constructed so that egress in case of fire is sure and safe; construction must prevent communication of fire from building to building, to decrease the possibility of conflagration. Much laboratory work has been done, and a wealth of material has been collected on the fire resistance of various kinds of construction. Some of this information is included in a very informative appendix. There are recommended code requirements for classification of buildings, by occupancy and type of construction, building restrictions, and fire protection. (Apply to Superintendent of Documents, Washington, D. C. Price, 10 cents.)

⁂

The Administration of Workmen's Compensation in Minnesota.—Lloyd A. Wilford. Bureau for Research in Government, University of Minnesota, 1930. 35 pp. In his legal practice during the past few years, the author has had considerable experience in the field of workmen's compensation law, and the major part of this work is devoted to the procedure in settling compensation claims. Other chapters expound the development of this type of legislation, the provisions of the Minnesota law, and its administration. Mr. Wilford concludes that the workmen's compensation act calls for a close relationship between administrative and judicial functions. (Apply to University of Minnesota Press, Minneapolis, Minnesota. Price, 50 cents.)

⁂

Report of the Committee to Investigate the Methods of Administration in the Boston Schools.—Boston Finance Commission, 1931. 112 pp. Under a special grant to the Finance Commission, it appointed for this school survey, a committee of three, William D. Parkinson, a retired normal school principal; Renton Whidden, builder, real estate operator, and legislator; and Mathew Sullivan, architect. The study of the Boston situation led to specific recommendations for a definite placing of responsibility, involving an apparently thorough reorganization and simplification of school administration, with reduction in cost, and an attendant emphasis upon the teaching process as the crux of the education problem. A long-term and foresighted building program seems essential and a number of concrete suggestions are made. Finally the School Committee should devote its time to policies. Mr. Whidden adds to this report his conviction that these recommendations should include a board of education with three appointed members serving full time. The report is especially interesting in that emphasis is put on the relation of administration to underlying educational problems. (Apply to Finance Commission, 24 School Street, Boston, Massachusetts.)

⁂

Proceedings of the Third Annual Northwest Fire School.—University of Minnesota, 1930. 70 pp. The Northwest Fire School provides an opportunity for conference on fire fighting and fire prevention. Technical knowledge and experience is exchanged formally and informally, and outside experts also advise so that this becomes a genuine school sponsored for five intensive days by the University of Minnesota, the League of Minnesota Municipalities, the State Firemen's Association, and the State Insurance Department, with the coöperation of Minneapolis and St. Paul. The program is planned by a committee representing fire chiefs and fire-fighting and prevention agencies throughout the state. The subjects covered include the operation and powers of a state fire marshal's office, the trial of arson cases, fire chemistry (ventilation, gases), equipment, hydraulic, chemical and special hooks and nozzles, salvage (not omitting the prevention of excessive smoke and water losses), accident prevention and workmen's compensation, building codes and inspection of hazards, including electrical and storage. The Northwest Fire School was attended by fire fighters from Minnesota, South Dakota, Iowa, Illinois, Wisconsin, Ohio and Winnipeg, Canada. (Apply to Minneapolis Fire Department Drill School, University of Minnesota, Minneapolis, Minnesota.)

⁂

Financial Program and Report on Annual Budget Estimates.—Des Moines, 1930. 74 pp. This report to the board of education by the superintendent compares school costs in Des Moines with those in other cities and suggests a five-year financial program, including detailed facts for each of the five years. A program for bond retirement is proposed, and the annual budget estimates are carefully explained and analyzed. (Apply to J. S. Studebaker, Superintendent, Board of Education, Des Moines, Iowa.)

✤

Kentucky City Directory.—Lexington, Kentucky, 1930. 148 pp. This is published by the Kentucky Municipal League, as a supplement to its weekly "The Kentucky City." It contains a complete roster of state, county and city officials. The assemblymen are listed with brief biographies, and the main planks in their platforms. Useful geographical and statistical information is given. About half the book is devoted to a listing of various utilities operating in the various cities, with their rates and franchise dates. (Apply to Kentucky Municipal League, Lexington, Kentucky. Price, $2.00.)

✤

American Library Laws.—Milton J. Ferguson. Chicago, 1930. 1103 pp. The American Library Association, assisted financially by the Carnegie Corporation of New York, is responsible for this compilation of library laws. It applies to "America" in the broader sense, and lists the legislation of British colonies and dependencies in the Americas, Canada, federal and by dominions, Mexico, Newfoundland and Labrador, the United States, federal, state, and territorial. An appendix of special provisions and a comprehensive index add to the value of the book. (Apply to the American Library Association, Chicago, Illinois.)

✤

Recent Books and Reports on Housing, Zoning and Town Planning.—New York, 1930. 34 pp. This is a comprehensive bibliography of published material on the subject, including that received, though not all written, between October, 1929 and 1930 by the National Housing Association. (Apply to the National Housing Association, 105 East 22nd Street, New York City. Price, 50 cents.)

✤

Short Cuts on City Planning Questions.—Planning Foundation of America, 1930. 33 pp. This is a digest of some of the papers presented at the National Conference on City Planning held at Denver in 1930. The subjects are the coördination of streets, parks, public buildings, zoning districts and public utilities; subdivision regulation in unincorporated areas; county responsibility for the direction of land subdivision; modern motor arteries; airports in the city plan; and special assessment for street widening. (Apply to Planning Foundation of America, 130 East 22nd Street, New York City.)

✤

Standards Yearbook, 1931.—United States Department of Commerce, 1930. 399 pp. The fifth yearbook of the Bureau of Standard features a series of articles contributed by experts in the fields of transport. Attention is given also to the governmental and private agencies engaged in standardization activities. There has been included outlines of the methods employed for making their standards and specifications effective and an attempt to evaluate their success. A bibliography of recent publications relating to standardization is contributed by William A. Slade, chief of the Library of Congress division of bibliography. (Apply to Superintendent of Documents, Washington, D. C. Price $1.00.)

✤

Proceedings of the Sixteenth Convention of the New Jersey League of Municipalities and Allied Associations.—1930. 103 pp. This contains the addresses made on the issues to be faced by municipalities in 1931, and includes public utility regulation, problems of regional government, finance and state reorganization. Reports are given also for special sessions on building inspection, municipal engineering, tax collection and assessment, and traffic problems. (Apply to the New Jersey League of Municipalities, 34 State Street, Trenton, New Jersey. Price, $1.00.)

✤

Manual for Studies of the Cost of Administration of Criminal Justice in American Cities.—Washington, 1930. 38 pp. Among its investigations, the National Commission on Law Observance and Enforcement has undertaken a study of the cost of criminal justice. This manual outlines certain of the more important elements of the problem of the cost of criminal justice in the larger cities and sets forth minimum requirements necessary for studies to be comparable and valuable to the commission. It suggests methods of investigation, form of reports, and sources of information—on subjects such as community data, cost of police, cost of prosecution, cost of the criminal courts, cost of penal and corrective treatment. (Apply to Sidney B. Simpson, Esq., 61 Broadway, New York City.)

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE

Professor of Law, New York University

Streets—Regulation of Traffic—Ordinance Requiring Auto-renting Agencies to Insure Their Cars.—In *Hodge Drive-it-Yourself Co.* v. *Cincinnati*, decided February 11, 1931 (See *U. S. Daily*, March 6, 1931) the Supreme Court of Ohio sustained the validity of an ordinance of the city which requires that all agencies renting cars to the public to be driven by the persons hiring them shall take out liability insurance or post an indemnity bond as prerequisite to the issuance of a license for the operation of any such car on the public streets. The ordinance provides further for the amount of insurance to be kept in force and the procedure under which licenses may be granted or revoked. The vehicles covered by the ordinance are those rented or hired for operation by some other person than the owner, and does not cover cars used for the purpose of transporting persons for compensation.

The principal question involved in the case was whether under the delegated police power to regulate traffic, the city may thus control the licensing of vehicles to be rented to and operated by persons other than the owners. The business is of such a public nature that it is plainly subject to direct or indirect regulation by the state. But the validity of the ordinance is rested solely upon the power to regulate traffic. The power to classify and to impose conditions upon the use of the public streets for profit is unquestioned. Such use is not a right but only a privilege, subject to the imposition of any reasonable regulations. (*Fifth Avenue Coach Co.* v. *New York*, 194 N. Y. 19, 221 U. S. 467; *Chattanooga Dayton Bus Line* v. *Burney* (Tenn.), 23 S. W. (2d) 669). The power to regulate taxicabs, for example, is plenary (*Mosley* v. *Wilson, Police Commissioner*, 261 Mass. 269, 159 N. E. 41) and the requirement of indemnity insurance for such vehicles has been uniformly sustained. The court points out that while the individual operating a rented car is exercising a right as a member of the public, the owner who rents the car is making use of the highway for profit. As the police power extends to requiring private owners using the highways as a common right to take out indemnity insurance, for better reason, a similar regulation of agencies renting cars for hire should be sustained.

The ordinance in issue, which is set forth in full in the opinion, is very carefully drawn and may well be followed where similar legislation is contemplated.

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Indebtedness—Limitations—Emergency Exception of Charter Includes Borrowing to Relieve Unemployment.—In a recent decision (*Muskegon Heights* v. *Danigelis*, reported *U. S. Daily*, March 6, 1931) the Supreme Court of Michigan upholds the authority of the city to borrow money for the relief of the unemployed. Muskegon City operates under a home rule charter which provides that:

> The city council is hereby authorized to borrow money, and issue bonds for the payment therefor for the following purposes: . . . (2) For emergency purposes in accordance with the provisions of the Home Rule Act of Michigan.

The Home Rule Act C. L. 1929, section 2231, places a limitation on municipal borrowing of 10 per cent of the accrued value of real and personal property with the following proviso:

> Provided, further, that in case of fire, flood or other calamity, the legislative body may borrow for the relief of the inhabitants of the city and for the preservation of municipal property, a sum not to exceed one-fourth of one per centum of the assessed value of all the real and personal property in the city, due in not more than three years, even if such loan would cause the indebtedness of the city to exceed the limit fixed in its charter.

Under such statutory authority, the only question before the court was whether the issuance of bonds to the amount of $25,000 by act of the city council was for the relief of the inhabitants from the effect of a "calamity." The court construes the powers conferred upon the city as not extending in case of fire or flood to compensation for loss of property, but only to the alleviation or prevention of distress caused hereby. The term "other calamity," the court says, is a generic term, comprehending the occurrence of any unexpected event of sufficient magnitude to cause widespread want and consequent suffering to the inhabitants of the city.

The facts of the record showed that the city's funds for the relief of the poor were exhausted, that unemployment was widespread and that measures of relief were urgent, which were sufficient to justify the finding of the council that an emergency existed.

It may be observed that the relief sought in this case was a declaratory judgment as to the validity of the issue of bonds. The constitutionality of the Declaratory Judgment Act of Michigan has recently been sustained and the court in taking jurisdiction of the issues of law and fact involved thus holds that such form of action is now available to determine the validity and the construction of ordinances and of other acts of a municipal corporation.

◆

Eminent Domain—Incidental Profits from Resale of Lands Condemned for a Public Improvement.—In *New Orleans Land Co.* v. *Board of Levee Commissioners*, 132 So. 121, the Supreme Court of Louisiana upheld the constitutionality of the appropriation of lands for the extensive improvement inaugurated by the city of New Orleans to reclaim the lands lying along Lake Pontchartrain. This improvement involves the outlay of some $27,000,000 and when completed will protect the city from the flood waters of the lake and transform valueless swamp lands into property suitable for residences, with boulevards, playgrounds and other places for the use of the general public. It is expected that the sale of the improved lands will largely pay the expenses of this ambitious undertaking. The general plan and the procedure to be followed are fully authorized by the state constitution adopted in 1921 (Art. 16, sec. 7), as amended in 1922 and 1928.

The plaintiff in the instant case based its appeal from the decree awarding it compensation for the property appropriated not only upon the alleged inadequacy of the award, but, also, upon the ground that the appropriation was for a speculative purpose, a taking of private property for resale to private persons and, therefore, violated the protection assured by the Fourteenth Amendment.

That the purpose of this improvement is a public one is beyond question, and the reclamation of the lands taken is necessarily incident to the accomplishment of that purpose. The subsequent sale of surplus property thus taken and used, after the improvement is completed, has generally been sustained as incidental to the public purpose (*Moore* v. *Sandford*, 151 Mass. 285; *Irrigation District* v. *Bradley*, 164 U. S. 112). The fact that pecuniary benefit may accrue to the municipality from such sales does not destroy the right to take the property by eminent domain (*Sweet* v. *Rechel*, 159 U. S. 380). The principle upon which the court rests its decision in the instant case is distinct from that of excess condemnation and is one that may be of great practical importance not only in reclamation projects, but also in other public improvements such as the construction of tunnels and the development of airports.

◆

Zoning—Los Angeles Ordinance Depriving Owners of Land in Outlying Districts of Right to Drill for Oil.—The Circuit Court of Appeals, Ninth Circuit, in a decision handed down February 16, 1931, sustained an ordinance of the city of Los Angeles, which by an amendment to the existing zoning law, took away from the owners of unimproved lands in an outlying district the right to drill for oil (*Marblehead Land Co. et al.* v. *Los Angeles*, reported *U. S. Daily* March 11, 12, and 13). The majority opinion was written by Judge Wilbur, a concurring opinion by Judge Sawtelle and a dissenting opinion filed by Judge Rudkin. The lands in question consist of some 396 acres situated about seven miles from the center of the city. No dwelling is within 1100 feet of the tract but two golf courses are located on adjoining property. The lands were annexed to the city in part in 1915 and in part in 1923. Thereafter, they were zoned as residence property, but upon application of the owners, an amending ordinance was passed in 1926 excluding all of these lands from residence district restrictions except a strip of 100 feet around their outer boundary. The remaining lands, upon which drilling for oil was then permissible, were leased to the Standard Oil Company, which commenced work and expended some $136,000 on improvements preparatory to drilling operation. Thereafter, the city enacted the ordinance in question, restoring the restrictions which limit the area to a residence district, in which oil drilling operations are forbidden.

The court holds that the appellants have no vested rights that are taken away by this ordinance, that the restriction is reasonable and that it is justified by the protection it will give to the future development of the region. The weighing of the relative commercial values of the use of the property, of the nearness or remoteness of the residential development and giving a proper weight to the present condition of the region would seem to stamp the ordinance as plainly an unreasonable and unnecessary exercise of the police power. Nor is it made clear by Judge Wilbur's long and involved opinion that his assertion that the appellants have no vested rights in the use they were making of the property. We may expect a reversal, if the case goes to the Supreme Court.

◆

Streets and Highways—Damages for Change of Grade.—The Supreme Court of New Jersey in *Wolfson* v. *Commissioners of Assessment of Perth Amboy*, 153 Atl. 106, holds that the so-called Home Rule Act of 1897, repealed by implication the old provisions of the town charter which gave a property owner a right to damages due to the changes of grade in an abutting street. At common law the abutting owner has no right of action for consequential damages for changes in the street grade, but quite generally today such a right is given either by the state constitutions or by special statutory provisions.

The charter in the instant case provided for the regrading of streets only as a special improvement, the cost of which, including the damages suffered by the property owner, were to be raised by special assessment upon the area found to be benefited. The general act provides that streets may be regraded as a special improvement, or as a general improvement to be paid for out of the general funds of the city. Although the provision in the charter for compensation to the owner whose property is damaged by the improvement is not repealed in express words, unless the later provisions of the general act are held to amount to a substitution, the conclusion would be that the legislature intended to provide alternative means of exercising the power, with compensation for damages if the one method were followed and without such compensation if the other were adopted.

The repeal by implication of a special provision of a charter conferring a power or a right of action by a later general enactment which is intended to be a substitute for all preëxisting statutory provisions relating to the subject matter is a well-recognized principle of statutory constitution (*Commonwealth* v. *Curry*, 285 Pa. 289; 132 Atl. 370).

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Taxation—Exemption of Buildings under Construction.—In *People ex rel. 1170 Fifth Avenue Corporation* v. *Goldfogle*, 254 N. Y. 476, 173 N. E. 685, the Court of Appeals of the State of New York has sustained the constitutionality of Section 889–a of the Greater New York charter which provides that "A building in course of construction, commenced since the preceding first day of October and not ready for occupancy shall not be assessed." While this section was enacted in 1913, the instant case for the first time raised the question of its constitutionality. The building in question had been commenced subsequent to October 1, 1925 and was not ready for occupancy October 1, 1926, the date fixing its taxable status for the year 1927. In affirming an order eliminating from the realtor's 1927 assessment the value of the improvements the court said:

> We think the proposition very plain that the statute does not offend the prohibition of article 3, §18, of the constitution. That section is aimed primarily, if not exclusively, at legislation attempting to grant to some specified "person, association, firm or corporation" an exemption from taxation. It is not intended to prevent in every instance the enactment of laws which the legislature deems salutary and which apply to all property of the same class in a defined territory. Section 889–a is likewise harmonious with the provisions of article 8, §10. By failing to assess a certain class of property, the city does not give its money or property or loan its money or credit to or in aid of individuals, associations, or corporations. It neither gives nor loans anything. This statute has been on the books for seventeen years, has been interpreted by the courts on many occasions, and never before has its validity been assailed. These facts are not conclusive, but are to some extent significant.

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Home Rule—Powers of Ohio Cities Held Not to be Limited by Charter Provisions.—A noteworthy decision on the powers of cities in Ohio was recently handed down by the Court of Appeals, Cuyahoga County (*State* v. *Rusk*, 174 N. E. 142) which holds that the city of Cleveland, under the Home Rule amendments adopted in 1912, has any and all powers that the state legislature could exercise except as limited by general statutes. The immediate question was the power of the city to appropriate money to reward a notable act of heroism in saving several lives at the time of the water works tunnel disaster in 1916.

There is no question that in the absence of constitutional limitations a state legislature might authorize or direct a city to make a payment to an individual under such circumstances. But in the instant case no such power is to be found in the charter of the city. While generally in home rule states the legislative power to enact and amend the charter is transferred to the electors of the city, and appropriate legislative action by the electors is required to confer upon the home rule city the power to act in any case, the clause of the Ohio constitution (Art XVIII, sec. 3) conferring upon municipalities all powers of local self-government not in conflict with general laws has been construed to be self-executing and to do away with any necessity of adopting or amending the charter in order to confer any specific power (*Perrysburg* v. *Ridgway,* 108 O. St. 245; 140 N. E. 595). The only question before the court in this case, therefore, was whether the state legislature in the absence of constitutional limitations could confer such a power. The question being resolved in the affirmative, it follows that the city may exercise the power.

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Powers—Ordinance of District of Columbia Requiring a Bond for the Operation of a Taxicab Held Invalid.—In *Patrick et al., Public Utility Commissioners of District of Columbia* v. *Smith,* 45 Fed. (2d) 924, the District Court of Appeals declared invalid a regulation promulgated by the public utilities commissioners, requiring the filing of an indemnity bond as a prerequisite to the issuance of a license to the owner of a taxicab, upon the ground that the power to make such a regulation had not been conferred upon the commission. The commission is primarily an administrative body and can act to impose regulations upon public utilities only by sanction of a congressional statute conferring upon it the power attempted to be exercised (*District of Columbia* v. *Bailey,* 171 U. S. 161). While congress has conferred upon the commission power to direct the public utilities of the District to make repairs, improvements, changes, or additions to equipment or facilities so as to provide reasonably safe and adequate service, no power has been expressly given to impose regulations of the nature of those in question. The court holds that such a power cannot be implied as essential to the carrying out of the express powers, and, therefore, further legislation by congress will be necessary before such a regulation can be promulgated by the commission. The reported case well illustrates the frequent failure of legislative bodies to formulate statutes so as to confer adequate powers upon governmental agencies and also the unfortunate habit of such agencies in assuming that the doctrine of implied powers will justify the exercise of any power that may be convenient to carry out the express powers granted to them.

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Boundaries—Inclusion of Noncontiguous Lands Within Town.—In *Chimney Rock Co.* v. *Town of Lake Lure,* 156 S. E. 542, the Supreme Court of North Carolina declared constitutional a statute of 1927 which incorporated the town of Lake Lure, comprising two separate and noncontiguous tracts of land, the smaller of which comprising about 185 acres includes the famous Chimney Rock. The two tracts are connected by a scenic boulevard and the larger of 8,000 acres includes the equally well known Lake Lure. The incorporation of two separate tracts of land both developed because of their scenic attractiveness into one municipality seems to be unique. But the contention of the plaintiff that the state legislature does not have such a power even in the absence of express limitations was plainly untenable. The plenary control of the legislature of North Carolina over the boundaries of towns and counties was established as early as 1850 in *Columbus Mills* v. *Williams,* 32 N. C. 558. While by special constitutional provisions it has often been held that municipalities must be comprised of contiguous territory (*Morgan Park* v. *Chicago,* 255 Ill. 190, 99 N. E. 388; *Chicago, N. W. R. R. Co.* v. *Oconto,* 50 Wis. 189, 6 N. W. 607) instances are not unknown when such a rule has not been applied, as in the case of the town of Cohasset in Massachusetts (see 9 *Harvard Law Review,* 153). Even where the rule of contiguity of territory is held to be applicable to municipal corporations, it is not applied to special public agencies such as drainage or irrigation districts (Wis. Laws of 1919 Ch. 557; Cal. Laws of 1919, Chs. 332, 341, 344).

PUBLIC UTILITIES

EDITED BY JOHN BAUER

Director, American Public Utilities Bureau

Muscle Shoals and the President's Veto.—The Norris bill provided for comprehensive government development and operation of Muscle Shoals. The President, however, was authorized to lease the nitrate properties to a private corporation or individuals, provided that the lease was effected within a period of one year under terms fixed by the Act. If the leasing should fail, all the properties—nitrogen as well as power—were to be developed and operated by the government itself, through the instrumentality of the Muscle Shoals Corporation of the United States, under the direction of a board of three. As everyone knows the bill was vetoed by President Hoover on March 3. His analysis of it will doubtless furnish much debate, and in all probability his veto will not dispose of the matter. The bill will be reintroduced in the next Congress, and will probably pass without the provision for the leasing of the nitrate properties. And, it will be interesting to see what the President will do then, and how Congress will respond when the recent "lame ducks" have disappeared.

PROVISIONS OF THE BILL

In this analysis, we shall be concerned principally with power. The bill provided for public development and operation of the properties, and the sale of the products. The corporation was required to furnish whatever power might be needed for experimentation and the manufacture of fertilizer, and to sell the rest to municipalities, counties and states, coöperative bodies, private companies and individuals. It gave preference, however, to the public groups, as against private companies purchasing the power for resale. The sale contracts were limited to ten years, except that where municipalities or other public groups had built their own transmission lines, the maximum was extended to thirty years.

Where the power is sold to private companies for resale to industrial, domestic and other consumers, the maximum rates to be charged were to be fixed by the federal power commission. The corporation itself could not fix or regulate through the sales contracts the rates for the ultimate consumers.

The corporation was authorized to build whatever transmission lines might be necessary or desirable to reach the purchasers, whether states, municipalities, or private companies. The price for the current delivered was to be fixed by agreement between the corporation and each party. There was no requirement that the power properties should be self-sustaining upon any particular financial basis.

WHAT IS A GOVERNMENT FUNCTION?

The President's veto was based upon *general* political and *specific* economic objections—that the project violated proper governmental policy, and was unsound as a financial undertaking.

The first objection follows the deeply-riveted views of the President, that government should keep out of business; that public ownership and operation destroy private initiative and result in destructive competition with private individuals. He would approve government operation only where it is incidental to recognized governmental functions in connection with war, the improvement of navigation, flood control, and such purposes which have long been entrusted to government.

The President, of course, would not perceive what is obvious commonplace to students of history, political science and economics—that government always has been in business, always has competed with business, and has always interfered with and also stimulated private initiative. Its embarking upon a particular economic activity, does not prove that it would or should undertake another specific enterprise. Each project stands on its own merits. Nor could the President sense the fact that any line of demarcation between governmental and economic functions is largely artificial. The President's veto can be understood only if one comprehends his indoctrination with respect to business and public operation.

IS THE POWER PROJECT FINANCIALLY UNSOUND?

The President's specific economic objection can be summarized: That the cost of furnishing power would come to about 9 mills per kilowatt hour sold, while the revenue received would amount to about 7 mills; that this net loss of about 2 mills per kilowatt hour would render the project unsound as a financial undertaking.

The question is whether the costs and revenues have been properly computed to gauge the profitableness of the power enterprise. The correct test of the costs appears in what would be saved by the government if the power project is not carried out. Only those costs should be counted which would be incurred directly or additionally because of the power undertaking. Costs that have been incurred, or will be incurred by the government, even if the power project is not carried out, should obviously not be included if we wish to know whether power would pay its way. Let us apply this test to the following costs charged by the President to power:

	Annual Costs
Interest at 4% on capital of $127,000,000	$5,080,000
Amortization	1,890,000
Operating and maintenance of hydro-electric plant	775,000
Operating and maintenance of steam plant	850,000
Operating and maintenance of transmission lines	550,000
Total annual cost	$9,145,000
Estimated annual kilowatt hours sold	1,000,000,000
Average cost per kilowatt hour	9 mills

These costs are grossly excessive, if tested from the standpoint of what would be saved if the project were abandoned, or what additional costs would be directly due to power development and operation. Let us consider briefly each cost element.

INTEREST ON CAPITAL

The largest single item is interest on investment. The aggregate investment allocated to power amounts to $127,000,000, but the special or additional capital outlay required for power would be a minor fraction of that huge sum. The President's figures consist of the following items:

Existing Properties:	
Wilson Dam and hydro-electric properties, total cost $47,000,000; allocated to power	$37,000,000
Steam power plant at Muscle Shoals, original cost $12,000,000; present value allocated to power	5,000,000
Total existing properties	$42,000,000
New Construction:	
Cove Creek Dam, with hydro-electric plant and transmission lines to Wilson Dam, total cost $41,000,000, of which $5,000,000 is allocated to navigation and flood control, and the remainder allocated to power	$36,000,000
Additions to electrical plant at Muscle Shoals	9,000,000
Transmission lines	40,000,000
Total new construction	$85,000,000
Total capital cost assigned to power	$127,000,000

Take the first two items together, the existing Wilson Dam, with the hydro-electric properties and the steam power plant. They make up a total of $42,000,000, charged by President Hoover to power; but all these costs have already been incurred by the government, and they cannot be avoided, if it does not go on with the power plan. They should, obviously, be excluded from the calculation, to test the financial soundness of the power operation.

With regard to the new construction, the cost of all the facilities that would be directly required by power, should, of course, be charged to power. But the situation is altogether different with regard to Cove Creek Dam, which, according to the President himself, should be built by the government in the interest of flood control. But of the aggregate cost of $41,000,000, the President assigns only $5,000,000 to flood control and improvement of navigation, as against $36,000,000 for power. Since the dam would be required for the other purposes, the allocation to power is manifestly excessive. The only direct additional cost would be such hydro-electric plant and transmission lines which would not be needed if the dam were used exclusively for flood control. The allocation to power should probably not exceed $25,000,000.

The final item in Mr. Hoover's capital figures is $40,000,000 for the construction of transmission lines. This figure is wholly arbitrary. It appears to represent an aggregate construction of 3,500 miles of transmission lines, and contemplate extensive duplication of existing facilities; but no such result is implied by the bill.

While the Muscle Shoals Corporation would have the right to build transmission lines, it is not required to do so, and, presumably, would build them only as warranted on financial and public grounds, to connect generating plants with important purchasers of power.

Suppose we allow, generously, $6,000,000 for transmission lines, $25,000,000 for Cove Creek dam and its connections with Muscle Shoals, and $9,000,000 for steam plant additions—then we have a total of $40,000,000 direct additional costs due to power development, instead of President Hoover's $127,000,000. At 4 per cent, the annual interest would be $1,600,000, instead of $5,080,000 charged to power by the President.

OTHER ANNUAL COSTS

Amortization is placed at $1,890,000 per year, and is figured at about 1.5 per cent per annum upon the $127,000,000. The charge should be based upon only $40,000,000, and should be computed at 1 per cent. The rate of 1.5 per cent exceeds the reasonable requirement, and the usual allowance is 1 per cent upon capital cost. And, as a matter of correct accounting, amortization is a charge against income, and not to the cost of operation. But, disregarding strict accounting principles, and following common practice, the proper charge would be $400,000 instead of $1,890,000.

The operating and maintenance cost of the hydro-electric plant is placed at $775,000. If this is to include depreciation, the figure does not appear greatly excessive, and the same may be said of the $850,000 charged to operation and maintenance of the steam plant. But the $550,000 for operation and maintenance of transmission lines has no justification; at most, the figure should not exceed $100,000 a year for the limited transmission lines that would probably be included in the system.

SUMMARY OF COSTS

On the basis of our analysis, the aggregate direct costs due to power development would not exceed $3,725,000 per year, as follows:

	Annual Cost
Interest, 4%, on capital of $40,000,000	$1,600,000
Amortization, 1% of capital	400,000
Operating expenses and maintenance	1,725,000
Total additional cost due to power	$3,725,000

These figures, of course, are rough approximations, but they probably exceed substantially the additional cost imposed on the government by power development. This assumes that the Cove Creek Dam is needed for flood control and improvement of navigation, and the President in his veto message subscribes to that view.

If we take the total annual cost of $3,750,000 and divide by the President's estimate of 1,000,000,000 kilowatt hours of annual sales, we have a cost of only 3.75 mills per kilowatt hour, instead of 9 mills. This result would make power an economical undertaking even if the rest of Mr. Hoover's assumptions and computations were to be accepted at par.

SALES FIGURES INVALID

But not one of the principal steps in the President's calculations is free from invalid processes. Take the 1,000,000,000 kilowatt hours of sales involved in the 9 mills. These figures, together with the cost data, were taken from a memorandum prepared by Lytle Brown, Major-General, Chief of Engineers. (See *Congressional Record*, March 3, 1931, pp. 6942–6943.) General Brown estimates at 233,600 kilowatts the aggregate of primary or continuous power available from the entire Muscle Shoals and Cove Creek combination, and the peak available by pondage at 466,000 kilowatts.

To the maximum power available, 466,000 kilowatts, General Brown applies a load factor of 33 per cent. He thus derives an average of 155,000 kilowatts, which would have a total annual output of about 1,300,000,000 kilowatt hours. Then he makes a rough allowance for "transmission losses and reserve," and places the aggregate saleable power at 1,000,000,000 kilowatt hours. This figure seems to be intended to include all disposable power, including the use by the nitrate and fertilizer plants, as well as sales for other purposes.

Assuming the accuracy of the primary and maximum power available as stated by General Brown, then there is no justification for the final result of only 1,000,000,000 kilowatt hours of saleable power. The prime or continuous output would amount to about 2,000,000,000 kilowatt hours per year, and there is no reason why this entire amount should not be used or sold at a load factor not less than 90 per cent. In addition, there is the irregular or surplus power, which should aggregate at least another billion kilowatt hours per year, and it should be usable or saleable, but at a lower price, at a load factor not less than 80 per cent.

MUSCLE SHOALS COÖRDINATED WITH OTHER POWER RESOURCES

It must be assumed that the business would be handled on a reasonable basis, and that the entire output would be sold at the best price obtainable, or would be economically used for other purposes. This would apply not only to the primary but also to the secondary power.

Mr. Hoover states that, "the secondary power for a period of almost seven months in the year is not regarded as of any present commercial value." There is no justification for this view. All the secondary power, with a moderate leeway, could be sold to distributing companies on a coal-saving basis, at a less price than primary. The entire operation, as a matter of wise policy, would be coördinated on the broadest possible basis with the use of other available power in Alabama, Tennessee and other states within economical transmission distance. The power would be taken as made available by the flow of water, and placed upon the transmission lines of the companies or public agencies, for ultimate distribution. So far as the flow is regular or continuous, there would be a corresponding saving in steam plant investment and operation on the part of the distributors. In so far as output is irregular, there would have to be provided supplementary steam plant or specially regulated water power, but it would still be used as made available on a coal saving basis, and the steam plant or other sources of power would be reserved for other periods when needed.

The 33 per cent load factor taken by General Brown, may represent, as the President says, "the average load factor from experience in that region"; but that is not a valid test as to how Muscle Shoals would be or should be economically used. It is doubtless true that, of the aggregate plant capacity owned in the territory, the average load factor is only 33 per cent. This ratio, however, would not apply to the better hydro-electric plants, which doubtless are used up to their available output, including surplus as well as primary power. The steam plants serve to a large extent for standby purposes, and their operation is discontinued on a coal-saving basis whenever water power is available. The advantages of a ramifying system of transmission lines connecting hydro-electric with steam power, lies in the fact that the water power may be used completely, and that steam plant can be utilized to furnish the variation in the load requirements above the amount of power furnished by the hydro-electric plants.

In computing the costs per kilowatt hour, there should be included the entire output—taken, perhaps, at 80 per cent load factor—and only the additional costs that would be incurred by the government directly because of the power. While no exact figures for such output and costs can be presented, it is difficult to see how the aggregate additional costs could exceed $3,750,000 a year, and why the total disposable output should be less than 2,500,000,000 kilowatt hours. On this basis, the average over-all cost, including interest and amortization, would be 1.5 mills per kilowatt hour for all saleable power. This would be materially below alternative steam costs, so that the entire project would be justified on economic grounds.

It may be true that if the entire project as contemplated by the bill were to be constructed directly for power purposes, the undertaking would not be economically sound; the costs might readily exceed the revenues that could be obtained from the sale of power. Under such circumstances, the future development of steam power might be cheaper than the particular hydro-electric development. The actual project, however, must be considered, first from the standpoint that, to a large extent, costs have already been incurred and are, therefore, unavoidable, whatever may be done as to power; and, second, that the new construction involves joint undertakings needed for flood control and aid to navigation, as well as for power. The costs, therefore, must be considered for all the purposes, and cannot be validly assigned exclusively to power.

If Muscle Shoals, including the proposed construction, is considered from the standpoint of reality, there seems little doubt but what the project as a whole is justified, and that power can be economically developed. Whether the operation should be by government or by private agency, is another question that involves various political and public considerations on which there may be valid differences of opinion. For our part, however, we see no reason why there should not be government operation, in which we see distinct advantages, while, under the special circumstances, we cannot discover any particular advantage in private operation.

Public operation of this one project cannot possibly endanger the foundations of our economic system.

NOTES AND COMMENT ON MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER

Municipal Passenger Transport in England.—The current return of the ministry of transport relating to tramsways and trackless trolley undertakings in 1920–30 presents some very interesting facts and conclusions in connection with passenger transport. Considered in connection with the recommendations of the Royal Commission on Transport, recently submitted, this return is one of the most significant local government documents of recent months.

In 1929–30 one hundred and sixty local authorities were owners of transit undertakings. During the year the corporations of Burton-upon-Trent, Chester, Colchester, Greenock, Gourock, Lancaster, Maidstone, Perth and Swindon suspended operations. During the same period, however, twelve private transit enterprises—several of which were of considerable financial importance—also suspended their activities. Clearly, if changing opinion on the forms of road transport—which admittedly is compelling the suspensions in many instances—is affecting the publicly-owned utilities, their private competitors are no better off.

A DISSENT ON TROLLEY BUSES

In the February issue of the REVIEW, this department took occasion to comment upon the superiority of trolley buses over gasoline buses and street railways as evidenced by German experience. The editor of the *Municipal Journal*, in reviewing the ministry's return, comments upon this point in the following vein:

> The doctrine that the tramcar is obsolescent rests too much on questions of finance. Too little account is taken of carrying capacity, and next, of the circumstances arising from the conditions of modern traffic which impede the rapid passage of the tramcar and must impede the movement of buses still more as their numbers increase. The trackless trolley has many advantages; it is mobile, it can pass through thoroughfares where the heavier tramcar has an ominous and dangerous appearance because of its size; but when everything is said on its behalf, the conclusion stands that the trackless vehicle is only yet in its experimental stages. As an alternative to the tramcar, it is effective in several places . . . but the extent to which it supersedes the tramway depends upon a number of factors . . . which have not entered into the general discussion.
>
> The movement of population is toward the towns. To escape the heavy weight of land values and town wage rates, a generation ago industry began to move toward the verges of great cities and into rural districts. Now the town comprehends these uncertain areas and the means of passenger transport has had to be vastly extended. The length of line controlled by local authorities open for traffic, expressed in terms of single track, was about 3,200 miles. As only five local authorities had tramway lines and works in course of construction in 1929–30, it seems unlikely that they will be supplemented to any appreciable degree in the near future. This restriction of mileage, combined with the extension of the town, gives added importance to the carrying capacity of the vehicle. In public ownership 5,538 tramcars were competent to carry from 41 to 60 passengers, and 6,000 from 61 to 80 passengers; only 69 cars were licensed to carry 81 and over. Despite improvements in railless transportation, the tramcar is still chiefly instrumental for rapid movement when the demand for conveyance is at the maximum. Short of road and street improvements so extravagant as to be beyond the dreams of avarice, it would appear that the operation of the trackless vehicle is limited in its range almost as seriously as the scope of the tramcar by the need that it shall run on rails.

It appears to the writer, however, that this latter argument is legitimate only upon the assumption that existing thoroughfares in England have no relation whatever to traffic demands. This, of course, is untrue. It can well be assumed, in fact, that arterial ways, in view of their more recent construction, may actually better represent the chief lines of passenger movement than the older rail lines, in instances where they do not coincide. Furthermore, why is vehicle capacity of such overwhelming importance, in view of the mileage cost reductions which numbers of places, notably Ipswich, have been able to effect through change to trolley buses? It would apparently be possible to run two trolley buses in certain places for the mileage cost formerly attendant upon one tramcar. Trolley buses normally carry about 60 passengers. The argument does not seem to fit the facts.

AND WHAT ABOUT IPSWICH?

In the same issue of the *Journal* the editor prints an article about Ipswich, containing a short résumé of their experience with trolley buses. The article would seem to indicate that in Ipswich, at least, trolley buses are in anything but an experimental stage. The following quotation illustrates this point:

> Following the example of many British cities, the borough in 1899, bought out the Ipswich Tramway Company. . . . The new régime lasted about twenty years; then arose an excited controversy. The trams were to be abolished; were their successors to be motor buses or the trackless trolleys? In the result, electricity was victorious over petrol. The last tram ran in 1926. Today the corporation's transport department runs forty-one trolley vehicles over routes totaling fifteen miles. . . . As justification for the new policy certain figures are available. Working expenses were in 1922–23 over 16.38d. per mile, in 1930 they had fallen to 9.46d. Receipts from the trams in 1922–23 were £43,000 (about $214,334); for the year ending March, 1930, the trolley buses earned £66,886, although fares are somewhat lower. An increase in population must have affected these receipts and is, of course, partly responsible for the fact that nearly six million more journeys are now taken. Nevertheless, taking journeys per head of the population, the figures show a rise from 68 to 141. . . . The net surplus, after meeting all operating and capital charges and taxes was slightly less than £1,826.

This is in many ways a singular showing for any transport project in its earlier years, and in time of continued depression.

CAN MUNICIPALITIES DO IT?

The most noteworthy section of the return, however, deals with public ownership. The Royal Commission and the ministry of transport are of the opinion that the public authorities seem to be doing quite well in this particular phase of municipal trading, not only from the standpoint of service rendered, equipment maintained, and facilities provided, but also from that of sound financial policy.

Many are the conclusions which emerge from a careful consideration of the pages of the return. One more conspicuous than the rest indicates that, in comparison to private enterprise, the conditions of labor provided by the public employer stands preëminent. Comment is pertinent on the financial results which the return discloses, though perhaps the final test of any transport service rests upon the convenience which it provides. By March 31, 1930, public authorities had put more than 82 millions of pounds into tramways, and had set aside for redemption or had redeemed more than 50 millions. The net receipts of all systems amounted to 572,000 pounds, admittedly a small surplus, but one which is illuminated by considering the systems in each of the six separate classes into which they are classified. From the least optimistic point of view, however, only three systems were unable to meet their working expenses; eight could not meet interest charges in full; nineteen, after meeting all interest charges were unable to make any retirement of their capital.

As the privately-owned enterprises fared worse, the crusade against public ownership must advance a proposal other than that administrative authorities are unfit to control remunerative services. Otherwise, the strong case for public ownership which this return makes cannot but have momentous effect in the future transport policies of English local authorities. It might be noted that the local transport systems paid in 1929–30 over one million pounds in taxes—excluding certain payments made under a special income tax schedule applicable to them. They paid also about 200,000 pounds for idemnification of killed and injured persons, and property damages. Considering the 2,600,000,000 passengers carried and the 256,000,000 car miles run, the municipal services seem relatively safely operated.—*The Municipal Journal*, January 30, 1931.

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Prefects for German Cities?—Some months ago the municipal bureaucracy of the **Deutsches Reich** was electrified by certain exceedingly blunt statements of *Herrn Reichspräsidenten* von Hindenburg. His Excellency expressed dissatisfaction with numerous phenomena in the current local governmental situation. Tax administration under the new levies, large deficits in many cities, and uneconomical administration were among the conditions particularly criticized.[1] The consequence of these statements has been the unloosening of much speculation concerning the possibilities and nature of increased central control.

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[1] These conditions were in part the cause, and in part the effect, of the emergency or provisional order (*Notverordnung*) of July 26, 1930, *Reichsgesetzblatt*, p. 311 *et seq.*

Ministerialdirektor Dr. von Leyden presents, in the January 10 issue of the *Reichsverwaltungsblatt,* the ablest commentary on the *Staatskommissar,* the state agency of supervision, which has yet been made. While the local laws of Prussia make no mention of any state organ resembling the *Staatskommissar,* the Prussian ministry of the interior has considered the general statement of paragraph 139 of the *Städteordnung* as conferring upon it power adequate to establish such an agency without additional legislative sanction. This paragraph gives the state administration power to intervene in cases where the general state welfare (*gemeine Wohl*) is threatened.

The literature upon this point is not copious. It is interesting to note that few writers have denied the right of the state to intervene.[1] Generally speaking, however, the *Städteordnung* has not been considered to give authority for anything more than a state negative in cases of municipal malfeasance.[2] The substantive authority of the state administration in effecting positive regulation is therefore undefined. The Prussian ministry traditionally has considered its powers in relation to the municipalities as appropriately limited to the enforcement of the obligations imposed upon the localities by state legislative action and administrative orders in performing state functions devolved upon the local units.

Any radical change in this conception of the state's rôle in such matters will have important practical and legal consequences. In calling attention to these problems, Dr. von Leyden points out the necessity for defining what is meant by state supervision (*Staatsaufsicht*) and for deciding what the state supervisory organ (*Staatskommissar*) is supposed to do and how it is contemplated to do it.

State supervision involves state intervention in controlling matters of policy regarding municipal services and activities in any field which, in the opinion of the state authorities, demands the interposition of a superior authority. There can be no doubt but that this impairs local autonomy in actual administration; whereas control previously has been exercised primarily through financial supervision, the ordering of the policies and details of administration directly by the state organ is possible under the *Kommissar* principle.

The *Staatskommissar* is an organ of the state administration, which, to the degree it deems essential will assume the function of administering local services in which it considers intervention necessary. Its legal power and authority in doing so is coincident with the powers of the local service organization; anything the municipality can do for itself, the *Kommissar* can do for it. The state agency is expected to forego continued action in the municipality's behalf, withdrawing with the cessation of the necessity for superventing local self-administration.

Conceived of in this fashion, what are the legal and practical consequences of this new state-local administrative liaison?

Legally, we may expect the following conditions to appear:

1. The law must be redefined to place the *Staatskommissar* in the legal position which the state occupied before its recognition of the principal of communal self-government.

2. The law must take cognizance that the state will act for the municipality, that state responsibility supersedes local responsibility, and that the acts of the state administration become the acts of the localities as far as wrongs inflicted and liabilities incurred are concerned.

3. Administrative supervision must be revised by the legislature so as to reconcile it with state action in behalf of the municipality. Where state supervision exists at present, a legal rearrangement must be made as to the present supervisory authority and the *Kommissar,* and the authority of the present organ revised.

The practical consequences which must follow are:

1. Through the substitution of the *Staatskommissar* for the local organ, in so far as the functions of the local organ are taken over, a necessity arises for defining the scope of action and authority remaining to the locality, and wherein its power is suspended.

2. As self-administration and its organs disappear for particular functions, arrangements must be made concerning the central supervision at present exercised by other than state *Kommissars.* What of the central supervision of

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[1] Laforet, "Die Grenzen der Selbstverwaltung," *Zeitschrift für Selbstverwaltung,* Vol. 13, p. 319 *et seq.*, does attempt to define a sphere in which state interference would be unjustifiable, but his point of view is that of administrative practicability rather than legal theory.

[2] Stier-Somlo, last year in the *Reichsverwaltungsblatt und Preussisches Verwaltungsblatt,* p. 781 *et seq.*, said that this paragraph gave the state positive power in the case of delegated state functions, and only a veto in the case of local functions.

those phases of local administration not taken over by the *Kommissar*, yet whose intervention suspends the authority of agencies at present exercising supervisory powers?

As Dr. von Leyden indicates, Prussia is not unfamiliar with the *Kommissar*. For some time state authorities have performed important administrative duties in connection with the provincial *Landtag* elections. Recent proposals represent an extension of a familiar concept, rather than an entirely radical departure.

There is another possibility in the theory of central administrative control which seems generally to have been neglected in the apology for a system such as is herein proposed. There are obviously two kinds of state control. One deals with matters designed to help municipalities better perform their municipal functions. The other attempts to supervise matters of policy. In a constitutional democracy in which home rule is an accepted good the latter type is generally agreed as being altogether reprehensible. The other type is accepted as being in accord with latter day municipal theory. This being true, the measures proposed for Germany seem justifiable only as emergency expedients. Such is their essential character. And as many writers on this subject have noted, it seems indeed regrettable that the enviable traditions of *Selbstverwaltung* should be submerged in the necessity for meeting a practical fiscal problem which is, in fact, entirely removed from the competence, authority, or influence of the internal units whose constructed rôle, nevertheless, gives evidence of where the burden rests.—*Reichsverwaltungsblatt und Preussischesverwaltungsblatt*, January 10, 1930.

◆

The Calcutta Municipal Gazette. The sixth anniversary number of the *Calcutta Municipal Gazette* represents in many respects a very signal contribution to the literature of local government. Its 116 pages are a veritable treasure house of information, current and historical, concerning the lesser known phases of Indian life and government. It were impossible even to list all of the worth while articles which Amal Home, the editor, presents. A few of these, however, should be of considerable interest to foreign students.

INDIAN CITIES LOOK AT THE SIMON REPORT

Indian students generally are inclined to find fault with the Simon report because of its sins of omission. Vol. I of the *Evidence* devotes considerable attention to the development of local self-government in India, yet in the recommendations of the report all attention is concentrated on the allocation of powers and functions between the states. "This omission argues," says Professor Shah, "a fundamentally wrong conception about the place and importance of local self-government. . . . Because they seem to have overlooked the real place and vital functions of local bodies, they indicate a structure of government, a scheme of division of the resources and obligations of the governing bodies which, if adopted in its entirety, will leave us far from democracy or self-government in practice."

The criticism of the Simon report for its failure to take cognizance in its recommendations of a fundamental fact in Indian life—that, as Sir John Lawrence said over sixty-five years ago, "the municipalities and municipal feeling are the most abiding of Indian institutions"—is one that demands serious attention. Any proposal which aims at the erection of a structure of government not built around the habits and traditions of its subjects or citizens is likely to encounter difficulty in sustaining itself. At the same time, hygiene and education in India cannot come too soon, even if to the accompaniment of bayonets. Here, indeed, is a concrete administrative problem to test the colonial genius of any people.

THE PORT OF CALCUTTA

The Port Authority of Calcutta is organized along lines which, while unsatisfactory to most Indians, is interesting from the standpoint of its constitution. Calcutta is separated from the sea by a distance of 86 miles, and access to it is through a difficult, tortuous, and dangerous river 120 miles in length. Peculiarly enough, vessels are taken through this river not by Calcutta Port authorities, but by the Bengal Pilot Service, which is directly under the government of India. Port officials take charge of the ships just below Calcutta.

The administration of the port is, under the act organizing the Port Authority in 1870, vested in nineteen commissioners. The writer complains bitterly that Indians are underrepresented in the commission. There are five Indians to fourteen non-Indians.—*The Calcutta Municipal Gazette, Sixth Anniversary Number*, 1930.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY RUSSELL FORBES

Secretary

Recent Reports of Research Agencies.—The following reports have been received at the central library of the Association since February 1, 1930:

Boston Finance Commission of the City of Boston:
Report of the Committee to Investigate the Methods of Administration in the Boston Schools
California Taxpayers' Association:
Report on University of California
Chicago Bureau of Public Efficiency:
The Bond Issues to be Voted upon February 24, 1931
Detroit Bureau of Governmental Research:
The Department of Public Welfare of Hamtramck, Michigan
Fiscal Relationships between City and School Authorities
Atlantic City Survey Commission:
A Budget Survey of Atlantic City Schools
Bureau of Municipal Research of Philadelphia:
Memorandum on Constitutional Amendment to Consolidate the City and County of Philadelphia
The Stark County (Ohio) Tax League:
A Few Facts about the Increase in Local Taxes
Buffalo Municipal Research Bureau:
Report of the Buffalo School Survey
Institute for Government Research:
Report on a Survey of the Organization and Administration of the State Government of North Carolina
Report on a Survey of the Organization and Administration of County Government in North Carolina

*

1931 Convention.—The executive committee has voted to hold the 1931 Meeting in Buffalo on November 9, 10, and 11. Harry H. Freeman, director of the Buffalo Bureau, will be the official host. Mark these dates in red on your calendar now.

California Taxpayers' Association.—The *Report on University of California*, prepared by the Research Department in coöperation with the University, recently published, places before taxpayers, public officials and University administrators a comparison of income and expenditures, the financial share of the support of the University borne by the state, and the growth of the University compared with all other colleges, public and private, in the state from 1918 to 1929, together with unit costs of instruction, and creates a fund of data that will be useful in predicting the future growth and needs of the University.

The University carries on not only instruction but also research and public service activities. Exclusive of the professional schools at San Francisco, the Lick observatories, and the Biological Institute, the University is spending over three and one-half million dollars annually on instructors' salaries, of which approximately one million is attributed to research. Unlike teaching, there is relatively little control exercised over the research activities of the faculty. It is suggested that the administration exercise sufficient control over research to guarantee an adequate return for this large expenditure, and that faculty members without marked ability in research be limited to teaching duties.

*

National Institute of Public Administration.—The Chicago police survey, which was made by Bruce Smith of the National Institute of Public Administration and a special staff composed of L. S. Timmerman, Earle W. Garrett, Arnold Miles, Donald C. Stone and Kenneth A. Rouse, has just been published by the Chicago University Press. The study was made for the Citizens' Police Committee of Chicago. It is a book of 281 pages and is entitled *Chicago Police Problems.*

*

Philadelphia Bureau of Municipal Research.—The Thomas Skelton Harrison Foundation has decided to finance a study of the transit situation in Philadelphia and has asked the Philadelphia Bureau to do the work as its agent. The relationship between the city, which owns certain high speed lines, and the local transit company, which operates these lines, will be one of the first phases of the study to be undertaken.

The Philadelphia Bureau announces the addition to its professional staff of Dr. E. Orth Malott of Chicago, who was formerly on the faculty of Northwestern University. Dr. Malott's basic engineering training is supplemented by extensive training in public-utility economics and finance. He has made several public utility studies.

◆

Schenectady Bureau of Municipal Research.—Henry Abbett Pulliam of West Orange, New Jersey, has been appointed manager director of the Bureau to succeed Albert H. Hall who resigned January 1, 1931. He assumed his duties at Schenectady March 1. Mr. Pulliam is a graduate of McLean College, Transylvania University, and Carnegie Institute of Technology and holds the degrees of Bachelor of Arts and Master of Science. He has served as commissioner of public works and consulting engineer for the city of Paducah, Kentucky, and served two terms in the Kentucky legislature. He has acted as consulting engineer in municipal engineering problems and has made governmental surveys in England, France, Spain and elsewhere in Europe. Prior to this appointment at Schenectady, Mr. Pulliam has been engaged in economic research and financial statistical work for Thomas A. Edison at West Orange.

Harold I. Baumes, assistant secretary of the Bureau, resigned his position here effective March 15 to take the position of assistant director of the Municipal Reference Bureau of the League of Virginia Municipalities at Richmond, Virginia. Mr. Baumes has served three years on the staff of the Schenectady Bureau of Municipal Research and has engaged in practically all of the work undertaken by the Bureau since its inception.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC.

Required by the Act of Congress of August 24, 1912

Of NATIONAL MUNICIPAL REVIEW, published monthly at Concord, New Hampshire, for April 1, 1931.

State of New York, County of New York, SS.

Before me, a notary public, in and for the State and county aforesaid, personally appeared H. W. Dodds, who, having been duly sworn according to law, deposes and says that he is the editor of the National Municipal Review and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:
   Publisher, National Municipal League, 261 Broadway, New York, N. Y.
   Editor, H. W. Dodds, 261 Broadway, New York, N. Y.
   Managing Editor, None.
   Business Managers, None.
2. That the owner is: The National Municipal Review is published by The National Municipal League, a voluntary association, incorporated in 1923. The officers of the National Municipal League are: Richard S. Childs, President; Carl H. Pforzheimer, Treasurer; Russell Forbes, Secretary.
3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.
4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

H. W. DODDS,
Editor.

Sworn to and subscribed before me this 23rd day of March, 1931.

Mary Donovan,
Notary Public.
(My commission expires March 30, 1931.)

[seal]

NOTES AND EVENTS

EDITED BY H. W. DODDS

California Commission on County Home Rule Makes Its Report.—The California commission on county home rule, which was constituted by the legislature in 1929 and appointed by Governor Young in February, 1930, has presented its report to the governor and legislature. This report, of over two hundred and fifty pages, covers a study of the California County, and those of other states under the topics of history of the county, constitutional and statutory provisions, costs of county government, salaries of county officials, functions of the county and their relation to the state and municipalities, special districts erected within the counties, county-city consolidation, digest of county charters adopted or defeated in California, and proposals for optional charters for the counties on a new basis of population and area classification.

The summary of the recommendations follows:

I. The commission recommends that the provisions of Article XI of the Constitution of California be revised to include:

1. A short general statement of the broad enabling power of the legislature and of the counties.
2. The elimination of the word "uniform" for county government and powers in order that there may be a classification of counties for the purpose of adopting optional charters prepared by the legislature, as well as by boards of freeholders in each county.
3. A freer use of "municipal" powers.
4. Permission to operate utilities for county purposes in case the necessity arises.

II. The commission believes that the establishment of special districts should be curtailed but wherever created their government should be in the hands of the board of supervisors and not of district trustees except in the case of inter-county joint districts or those especially small in area. It strongly advises that all of the records and finances of these districts should be brought into the offices of the recorder, the auditor, and the treasurer.

III. There should be a further detailed study made of the possibility of county-city consolidation and of the creation of larger administrative areas by the consolidation of the areas of counties or the particular functions of several counties.

IV. The commission recommends that the legislature have drafted three forms of optional charters as outlined in this report, one of which may be adopted by the electorate of the county to avoid uniformity and meet the problems and needs of that particular county. These charters should provide:

1. Distinct separation between the legislative and administrative functions of the county.
2. Adequate financial provisions for a proper fiscal integration in taxation, fees, budgeting, accounting, purchasing, and reporting. The fiscal year should be changed to January 1.
3. A chief executive—either an elected county president or appointed controlled-executive—who would coördinate all the functions of the county and have large appointing powers.
4. The election of the assessor, auditor, district attorney, sheriff, and judges only, with an option for the election of the board of education.
5. The consolidation of the offices of assessor, tax and license collector, and treasurer.
6. For the operation of "municipal" functions and utilities.
7. A statement from all candidates for elective office setting forth their qualifications to hold the office for which they desire election.
8. Integration of all functions and work on highways and bridges, public health, welfare, and law enforcement.
9. For consolidation of functions or offices within the county, between counties, or between counties and cities.

V. The commission strongly urges the creation of an advisory county commission for the purpose of study and advice to county officials on personnel, salaries, taxation, budgeting, auditing, legal work, statistics, and reporting.

VI. The commission firmly believes that its recommendations will lead the way for the people of the counties of the state to take stock of the county assets, to examine more intimately and scientifically its needs and abilities, to measure the costs of satisfying these needs, to weigh the benefits to be derived from the changes recommended and the freedom to exercise their wishes more directly, to discover the leaks and inefficiency in the present structure and operation of county government, to root out the parasites who prey on the revenues and credulity of the people, to support the men who lead to a more responsive form of government, and to provide sound business principles in all the operations which the county is called upon to perform.

California has led the nation in city and county home rule. It has introduced many innovations in governmental functions—state, county, and municipal. It has the capacity and the spirit to depart from the age-worn practices. The opportunity is presented here to take the next logical step in good government—to bring the county operations nearer to the needs and desires of the people.

Edwin A. Cottrell.

◆

Three California Charters.—San Francisco, Oakland, and San Diego vote during March and April on proposed freeholder charters. The proposal in San Francisco city and county is a vast improvement over the present patchwork charter. The people elect a mayor, who is the chief executive in fact as well as in name; a board of eleven supervisors; assessor; treasurer; district attorney; city attorney; sheriff; public defender; and judges; all subject to recall. The mayor appoints the controller; commissions for police, fire, parks, recreation, library, city planning, civil service, public utilities, and retirement; and a chief administrative officer. This chief administrator appoints the directors of finance, purchasing, real estate, electricity, health, welfare, coroner, horticulture, weights and measures, and a street traffic advisory board. This charter is essentially a "strong mayor" type. The "chief administrator" is not a manager in the usual understanding of that term. He is entirely restricted in his powers by the mayor and may be removed by a two-thirds vote of the supervisors, or by charges filed by the mayor and sustained by the supervisors after trial, or by a recall vote of the people. Provision is made for a consolidated plan of government if the proposed merger with San Mateo county is completed.

Oakland is to vote on one of the most extreme mayor-council-manager plans yet proposed. The people will elect a mayor, a council of nine, an auditor, a board of education, and judges. The mayor appoints the city attorney, commissions for city planning, art and museum, recreation, library, parks, civil service, and port; the manager and assistant manager; and an advisory board of citizens, all subject to confirmation by the council. Three bureaus are created: revenue and finance under the controller; public health and safety under the assistant manager; and public works under the engineer. These three directors and the heads of all the departments under the three bureaus are appointed by the mayor with or without the recommendation of the manager and subject to the confirmation of the council. The mayor is to have a cabinet consisting of the manager, assistant manager, controller, engineer, and city attorney. The manager must have had eight years experience in a responsible administrative or business position and is to receive a salary of fifteen thousand dollars.

San Diego has rewritten the council-manager charter which was defeated in December, 1929. The people will elect a mayor and a council of six members, an attorney, a judge, and a board of education. The council will appoint the manager, assistant manager, clerk, auditor, and controller. The mayor will appoint commissions for the harbor, funds, civil service, and city planning. The manager will appoint the directors of public works, water, parks, safety, health, library, playgrounds, and recreation, and boards for health, social welfare, library, and playground and recreation.

All of the charters have advanced provisions on financial procedure, personnel, initiative, referendum and recall, and retirement.

Oakland adopted the council-manager plan as an amendment to its present charter at the November election. At the same time a board of freeholders was elected by a much smaller vote than was cast for the manager form. It remains to be seen which charter will become effective if the one now proposed should carry at the election. All of these charters are shorter, more modern and scientific, and great improvements over the existing charters. They should expedite the selection of a better personnel, should make for more efficient and economical government, and be more responsive to public opinion than those now in use.

EDWIN A. COTTRELL.

✤

North Carolina Widens State Control over Local Finance and Highways.—Strict control by the state over county and municipal finances is now the order of the day in North Carolina. A local government commission was created by the general assembly of North Carolina by an act ratified in March.

The commission is given broad powers to regulate the finances of the political subdivisions of the state; issuance of bonds and notes by any of the subdivisions must be approved by the commission in Raleigh where the sale of all such bonds must take place. The act provides for the refunding of the present outstanding indebtedness of the subdivisions; it thus does away with the usual flood of local bills seeking to refund such indebtedness.

It is a most drastic centralization of power in the hands of the state government; however, the act was passed with very few dissenting votes. Creation of the commission is part of the reorganization program sponsored by Governor Gardner, who last fall had the Brookings Institution make a survey of government in North Carolina.

The local government commission consists of nine members, of whom the state auditor, state treasurer and the commissioner of revenue shall be members ex officio, and of whom six members are appointed by the governor to hold office during his pleasure. One of the appointed members shall be the full-time director of local government and shall serve as secretary of the commission. The act abolishes the county government advisory commission giving its powers and duties to the new commission, as well as certain powers and duties of the state sinking fund commission.

North Carolina probably became the first state in the Union where the entire county highway system has been taken over by the state government when the general assembly in March enacted legislation to this effect by an almost unanimous vote. At one stroke 45,000 miles of highways are added to the 9,000 miles already under supervision of the state highway commission.

The state takes over all prisoners from the counties and makes provision to work them on the roads, district prison camps being established. A gasoline tax of 6 cents per gallon is levied under the act. All road machinery now owned by the counties or special road districts will be taken over by the state. General property taxes are no longer to be levied for highway purposes, thus reducing the burden of local taxation.

North Carolina in the past decade has developed an outstanding and splendid system of state highways. The new extension of state control was sponsored by Governor Gardner as a part of his program for more centralized and effective government in North Carolina. It was recommended by the report of the Brookings Institution, by Frank Page, former chairman of the North Carolina Highway Commission, and by other highway experts.

WILLIAM D. HARRIS.

✤

County Managers.—In the Irish Free State it is anticipated that the administration of the counties will be transferred to managers during the present year. Within the next few months there is to be introduced into the Free State Parliament a comprehensive bill to improve the existing system of local government, and one of its main features is likely to be the extension of the managerial system of all phases of Free State local government. Under this system the membership of county councils will be drastically reduced, as the membership of the Dublin Corporation was reduced from 80 to 35, while the area under its control was increased by a third. Since 1926 the duties of county councils have been much increased. Rural district councils have been abolished, and the entire administration of health, assistance and roads has been given over to the county councils. At present the county councils are responsible for a multiplicity of services. Probably they would be equal to the duties were undivided attention given to such affairs, but when the greater part of the time of a council meeting is devoted to the grievances of farmers, the discussion of political or religious resolutions, or personal recriminations, little or no time is left for county business. And now these overburdened and unwilling authorities have additional duties placed upon them by the new vocational and continued education schemes. Evidently, the Executive Council and the Ministry of Local Government are of the opinion that a manager for each county would do the work more effectively. Both are impressed by the success of the managerial system in Dublin and Cork. —*The Municipal Journal*, February 20, 1931.

A Series of Municipal Exhibits.—The New York Municipal Reference Library is conducting a series of exhibits on municipal subjects. Each one is planned to appeal to one or more of the various city departments. In November the exhibit was of interest to the city employees of the department of finance, and of taxes and assessments.

Here you could see a display of the recent plans advanced by various large cities for long-term financial programs. Detroit, Cincinnati and Schenectady are the cities doing most in this direction. A comparative table of the various state laws on taxation and methods of collection made an interesting study.

During December the exhibit was for the purpose of interesting the social worker. It referred to the department of public welfare, the department of correction, and to the board of child welfare. A display of some of the social workers' best bibliographical tools attracted most attention. The latest suggestions on unemployment —the great social emergency—were exhibited for comparative purposes.

Each month the Municipal Reference Library is issuing a special invitation to one or more departments to visit the Library and become familiar with its resources gathered together for the information of that particular department. Since there are forty and more city departments with greatly contrasting subjects as the objects of their daily work, the Library is attempting this series of exhibits to demonstrate to each department the efforts expended on its behalf.

⁂

Wyoming Organizes League of Municipalities.—The League of Wyoming Municipalities was formed in the city of Cheyenne on January 2 and 3, with thirty-six delegates from cities and towns present. A constitution was adopted and the following officers were elected for the first year: E. W. Rowell of Casper, president; Cal Holliday of Cheyenne, vice president; G. R. McConnell of Laramie, executive secretary and treasurer; trustees—George L. Smith of Sheridan, one-year term, W. Gwynn of Lovell, two-year term, William Rogers of Green River, three-year term.

The outstanding fact brought to the attention of the delegates was the present confusion and uncertainty of the rights and powers of municipalities under the present municipal code. It was the unanimous opinion of all delegates that the Wyoming municipal code should be studied with care for the next two years, at which time it is proposed to present to the legislature bills repealing or modifying the present municipal code, and that a movement be started to bring the ordinance of various towns into uniformity in so far as is possible, especially the traffic ordinances.

The only piece of legislation sponsored by the Municipal League at this session of the legislature is a bill to obtain a portion of the present gasoline tax for the use of the cities in maintaining the streets.

⁂

European Tour to Study Housing.—The City Affairs Committee of New York is announcing a European housing study tour to be conducted in coöperation with the Garden Cities and Town Planning Association of England. It is being promoted purely as an educational experiment on a non-profit basis. The tour will be under the immediate leadership of a representative of the English association. The itinerary provides for departure from New York May 10 and arrival back on August 30. For further information address the City Affairs Committee, 112 East 19th Street, New York City.

⁂

The twenty-sixth annual meeting of the International Association of Comptrollers and Accounting Officers will be held at Toronto on June 16, 17 and 18. B. Graham West, city comptroller of Atlanta, is president of the association and Carl H. Chatters, director of finance of Flint, Michigan, is secretary.

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CONTENTS

EDITORIAL COMMENT . . . . . *H. W. Dodds* 245
HEADLINES . . . . . *Howard P. Jones* . . 249
A MODERNISTIC CIVIC CENTER FOR RICHMOND, CALIFORNIA . . . . . *Carol Aronovici* . . . 251
THE CITY PLAN OF BOULDER CITY . . . . . *S. R. De Boer* 253
SAN FRANCISCO APPROVES PLAN FOR CONSOLIDATION WITH SAN MATEO COUNTY . . . . . *Alfred H. Campion* 256
SAN FRANCISCO ADOPTS A NEW CHARTER . . . . . *William H. Nanry* 259
REDUCED COSTS THE KEY TO REDUCED MUNICIPAL TAXES . . . . . *Rowland A. Egger*. 263
HOW THE RADIO AIDS POLICE WORK . . . . . *H. T. Shenefield* . . . 267
PUBLIC POWER AND THE PEOPLE OF NEBRASKA . . . . . *Lane W. Lancaster*. 271
MUNICIPAL AID FOR THE UNEMPLOYED . . . . . *Walter C. Hurlburt*. 277
FOUR YEARS OF SOCIALISM IN READING, PENNSYLVANIA . . . . . *Henry G. Hodges* . . 281

DEPARTMENTS

I. Recent Books Reviewed 290
II. Judicial Decisions . . . . . *Edited by C. W. Tooke* 296
III. Public Utilities . . . . . *Edited by John Bauer* 300
IV. Municipal Activities Abroad . . . . . *Edited by Rowland A. Egger* 304
V. Governmental Research Association Notes . . . . . *Edited by Russell Forbes* 308
VI. Notes and Events . . . . . *Edited by H. W. Dodds* 310

The contents of the NATIONAL MUNICIPAL REVIEW are indexed in the *International Index to Periodicals* and in *Public Affairs Information Service*

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THE LEAGUE'S BUSINESS

Meetings of Executive Committee.—The executive committee has recently held two meetings at which were considered the questions of finances and work methods raised by the Council in its meeting in Chicago last February. In accordance with the decision of the Council to make the fiscal year of the League coincide with the calendar year, the executive committee adopted a proposed budget calling for expenditures of $42,000 from April 1, 1931, until January 1, 1932.

The executive committee approved the suggestion of the Council with reference to the employment of a financial secretary to begin work this coming fall on securing contributions and memberships.

The committee also decided to reconstitute the committee on county government which drafted the *Model County Manager Law* last year. The new committee will be encouraged to study the general problem of county government in its relationship to the state and municipal governments. The executive committee also authorized the appointment of new committees on the following subjects: Model Corrupt Practices Law; Developments in Municipal Home Rule; Selection of Judiciary; and the Relationship of the City Government to the Housing Problem. The personnel and plans of these committees will be announced later.

*

New Edition of Story of City Manager Plan.—For several years our pamphlet on *The Story of the City Manager Plan* has been used in practically all cities considering the adoption of a city manager charter. A total of approximately 150,000 copies of this pamphlet have been distributed. It has now been entirely rewritten and revised. A copy of the new edition will be sent to any member who writes for it to the secretary's office.

*

National Committee on Municipal Reporting Completes Its Report.—In January, 1929 the League took the initiative in organizing the National Committee on Municipal Reporting. The committee was composed of representatives of the National Municipal League, the Governmental Research Association, the International City Managers' Association and the American Municipal Association. The committee organized by electing Colonel C. O. Sherrill as chairman, Clarence E. Ridley as vice chairman, and Wylie Kilpatrick as secretary.

The Spelman Fund of New York gave the committee a grant which enabled it to make a thorough study of municipal reporting. The committee's report has now been published by the Municipal Administration Service in its technical pamphlet series. An edition of 6,000 copies has been printed. Of these, 5,000 copies have been distributed free and the remainder are being held in reserve for later distribution and for sale. The leagues of municipalities in Illinois, Michigan, Kansas, Colorado and New Jersey have reprinted part one of the report as a special supplement to their monthly magazines. *The American City* has also published two articles reprinting excerpts from the report. In addition to these methods of distribution 1,000 copies each of eleven different chapters of the report were reprinted and distributed to selected lists of municipal officials interested in each of the specific subjects. In this way the report has reached a circulation of almost 45,000 individuals.

RUSSELL FORBES, *Secretary.*

NATIONAL MUNICIPAL REVIEW

VOL. XX, No. 5 MAY, 1931 TOTAL No. 179

EDITORIAL COMMENT

John J. Horgan of Cork, Ireland, who is already familiar to constant readers of the REVIEW, reports that the city manager plan has been so successful in Ireland that it is very probable that a county manager bill will be introduced into the Free State legislature in the near future.

*

The overthrow of "Thompsonism" in Chicago is briefly related by Edward M. Martin in the Notes and Events department of this issue. We hope to follow with a long article next month from the pen of Carroll H. Wooddy. Prominent independent Republicans, among whom was Professor Merriam, actively sponsored the election of Cermak. Two other officers of the National Municipal League also attracted Thompson's fire. Silas H. Strawn and George O. Fairweather were continually lambasted by Thompson as members of a conspiracy which foisted the real estate reassessments on the city.

Cermak's record as president of the county board indicates an understanding of improved structure and efficiency of government. In 1929 he expressed approval of the county manager plan in a statement submitted at the annual meeting of the National Municipal League in Chicago.

*

"Public Reporting—with special reference to annual, departmental, and current reports of municipalities" has just been published by the Municipal Administration Service. It is the work of the National Committee on Municipal Reporting of which Colonel C. O. Sherrill is chairman, C. E. Ridley, vice-chairman, and Wylie Kilpatrick, executive secretary. The committee is composed of representatives of four organizations—the American Municipal Association, the Governmental Research Association, the International City Managers' Association and the National Municipal League. The study has been in process two years and we predict that the report will mark a milestone in the progress of taxpayer-understanding of government.

*

Anyone who is pessimistic about the possibilities of keeping municipal government in contact with the people should (in addition to buying the report mentioned in the foregoing paragraph, price 75 cents per copy) send for a copy of the 1931 annual letter addressed to East Cleveland citizens and taxpayers by the city manager and commission of East Cleveland, Ohio. The letter, an annual custom in East Cleveland, is a masterpiece of concise reporting.

*

A charter amendment to repeal the section authorizing municipal gas stations was voted down in Lincoln, Nebraska, by more than two to one at the election of April 7. This experiment in municipal operation was begun in 1924. It was attacked in both the state and federal courts and was finally sustained by the United States Supreme Court. Although the city owns but one station with four pumps and operates it only during daylight hours on week days and not on Sundays, the enterprise has been a constant issue in Lincoln politics and has received considerable attention from the country at large.

At the same election Lincoln voters authorized a $2,300,000 bond issue to bring water from the Platte river, 26 miles away.

✱

Regional Police Coördination The Cincinnati Bureau of Governmental Research has submitted to the Cincinnati Regional Crime Committee, Alfred Bettman, chairman, a report advocating the pooling of the police resources of the 147 separate police agencies in the six counties in Southwestern Ohio and Northern Kentucky which make up the Cincinnati metropolitan region.

A few of the principal recommendations may be summarized as follows: (1) That the Cincinnati police training school be made available to the region, (2) that teletype equipment be adopted throughout the region, (3) that a clearing house for finger prints and photographic records for the entire region be maintained under the auspices of the Cincinnati police department, (4) that the Cincinnati police department assume responsibility for studying and classifying the distinctive habits and methods of criminals to provide clues to the identity of criminals by study of the methods characterizing a particular crime, (6) that regional police conferences be held from time to time to work out means of coördinating action, and (7) that the Cincinnati police department provide a short course for village marshals, constables, etc., who are elected for comparatively short terms.

✱

Will P. R. Survive in Ireland According to the *Manchester Guardian*, certain Irish politicians want to abandon proportional representation for the election of the Free State parliament in favor of single-seat, single-vote constituencies. The reason appears to be that P. R. favors the "cross-bench mind" as against the sound party attitude. But what pleases the elector is poison to the professional politician, who dislikes independent thinking and wants to restore emotional elections which bring the sound party man into the legislature.

The Irish correspondent of the *Manchester Guardian* reports that the *a priori* argument against P. R. that it fosters groups and produces instability in the executive has not worked out in practice. The Free State is today apparently nearer the two-party system than any country in Europe and its cabinet has had the longest life of any in Europe today. P. R. is said to have made for stability by reducing sensationalism in elections. The single-member district system of England magnifies the effect of a 10 per cent swing-over of voters; and elections there are a fight for this 10 per cent. Under P. R., on the other hand, the conspicuous party leaders are sure of election and the battle centers around the fate of less conspicuous candidates. For such candidates the wise party manager is careful to choose moderate men acceptable to diverse interests.

Thus, in spite of evil legacies, the Dail has shown itself on most subjects, except ancient history, reasonable, free from prejudice and not given to violent utterances. The danger is that some politicians may induce Mr. Cosgrave to copy the new English bill and try single-member constituencies with the transferrable vote. The effect of this in the Free State, the *Guardian* correspondent believes, would be to promote party spirit and instability.

Irish experience refutes the prediction that P. R. means bloc government and administrative turmoil. While some radical leaders, who would not be victorious under the single-member district system, are elected, the rank and file of the legislature are more moderate and reasonable, less subject to boss dictation, when chosen under proportional representation.

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Chicago Police Problems

If you want to know what is wrong with police administration in the United States read Chapter III of *Chicago Police Problems* [1] by the Citizens' Police Committee of that city. This chapter entitled, Police Leadership and Control, might appropriately have been headed "A Day in the Life of a Police Commissioner." In a vivid style, all too rare in survey reports of government, there is here dramatized the daily routine which occupies the head of a police department. This routine has little to do with the administration of the department but a great deal to do with politics. One need seek no further for the seat of the infection which saps the strength of police forces generally.

From 1920 to 1929 there were 2,700 murders and manslaughters committed in Chicago. From 1923 to 1929 there were 257 gang murders and in not a single case was a conviction secured. The report states that on the basis of direct observations of scores of police departments here and abroad the Chicago force stands in a hopelessly inferior position. It is cursed by sinister political influence and a conscious sense of failure.

The report is a careful study of police administration with numerous suggestions for improvement. We predict for it a wide audience and an extensive influence in civic circles. Although scientific and accurate, the style is easy and natural. The work was done by a competent staff, headed by Bruce Smith, which operated in conjunction with a Citizens' Police Committee. This committee was divided into a supervisory committee and an operating committee, with Professor Leonard D. White chairman of the latter. It in turn had the coöperation of a citizens' advisory committee under the chairmanship of Elmer T. Stevens. This elaborate organization adequately guarantees the soundness of the findings, startling though they be.

The political servility of the civil service commission which controls appointments, promotions and dismissals is described in no uncertain terms. The influence of this commission "seldom appears to have been exercised as a means to improve police administration." By long-established custom, each new mayor removes the president of the civil service commission immediately after taking office and consequently the commission has lost all semblance of impartiality or nonpartisanship which the law was originally intended to secure. In the struggle between two schools of thought as to the best method of securing police independence of politics, Chicago represents a victory for the independent commission idea. But as Chicago has applied the idea, the commission has evolved into a deterrent to an ambitious, honest police head and a morale depressive generally.

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[1] *Chicago Police Problems.* By the Citizens' Police Committee. Chicago: The University of Chicago Press, 1931. xix, 271 pp. $3.00.

The report is no long-haired reformer's product. The competency of the staff is well established. Their criticisms regarding police technique are ably presented and few will dissent from their findings and recommendations. The report should be read by thousands in other cities who will find in it many clues to the causes of police inefficiency in their own communities.

If the evils disclosed in Chicago were peculiar to her, the findings would have little national significance, but unfortunately they can be duplicated in some degree in all large cities in the United States.

*

Voluntary Zoning of Rural Highways

A proposal for voluntary zoning of portions of rural highways having high scenic value against defacement by billboards, posters, hot-dog stands, filling stations and other forms of wayside commercial enterprise was advanced by Herbert U. Nelson of Chicago, executive secretary of the National Association of Real Estate Boards, at a national conference on roadside business and rural beauty held in Washington, D. C.

The proposal was put forth as a method of conserving for the public both æsthetic values and proper commercial values along rural highways. The argument for it is that it obviates the necessity for arbitrary action by state authorities, and that it gives owners of property abutting scenic highways a *quid pro quo* for the property rights they would give up where compulsory zoning is put into effect.

The plan proposes that an enabling act be passed by the various states under which there may be set up in connection with the state highway department a special zoning board for non-urban regions of the state. This board would have the right to zone any stretch of roadway as a scenic region upon petition of seventy-five per cent of the owners of abutting property. Along the highway so zoned wayside commercial business of all kinds would be banned, not only on the highway itself but on abutting property, except at such intervals as may be established to meet public necessity and convenience.

The plan proposes further that, on roads along which the owners of abutting property voluntarily forego the commercial use of their properties in this manner, the state highway commission will undertake a definite program of beautification, through the planting of trees and shrubs, through care that bridges erected should harmonize with the general scenic effect, through the adaptation of the highway to the natural contours of the landscape, and through similar measures which would aid in the conservation of the recreational values of the region.

The proposal of Mr. Nelson is better than no zoning at all. If in force at the present moment, it would undoubtedly enable many landowners along rural highways to protect their amenities and other legitimate interests. The chief criticism is the necessity of waiting until 75 per cent of the owners request that their road be zoned. Zoning, when reasonable, is so well established as a legitimate exercise of the police power that it is difficult to understand why it should await the initiative of such a large percentage of the persons affected. In cities zoning resting upon consent of property holders has not proved effective. Democratic responsibility and court review can be relied upon as sufficient checks against arbitrary action under the police power.

HEADLINES

The highway beautification program of Pennsylvania is being vigorously supported by the organized outdoor advertising operators, according to Tom Nokes, secretary of the Outdoor Advertising Association of Pennsylvania. He urges that the department of highways include a representative of the outdoor advertising industry in the deliberations of the roadside planning committee. So business no longer fights but flirts!

* * *

Political wiles can be seen through by the voters just often enough to be encouraging. Oakland, California, adopted charter amendments last fall providing for the city manager plan. The city hall crowd, however, appointed a board of freeholders to draft a new charter. Shrewd, they called it the "city manager plan" and stuck in a manager who had all the powers of a mayor's secretary. Oakland citizens overwhelmingly voted it down at the April election.

* * *

New charters almost invariably lean toward the city manager plan these days. San Francisco has been torn between two loves—the manager plan and the strong mayor plan. Its new charter, adopted at the April election, centers responsibility in the mayor but creates a "chief administrative officer" with powers roughly corresponding to a manager.

* * *

A county manager enabling act has passed the Montana legislature. Blaine County is particularly interested in a change in its form of government.

* * *

A deputy mayor who would be a permanent officer under civil service is proposed for Detroit by Dr. Lent D. Upson. Tradition might make the office as effective as that of manager, he thinks, seeing the need for a continuing administrative executive. Mayor Murphy is not enthusiastic about the idea.

* * *

Discouragement to publicity hounds is the object of a proposed amendment to Detroit's charter specifying that no candidate for public office shall be permitted to withdraw after his petition has been filed unless a written notice of withdrawal is served not later than three days after the last day for filing. If he neglects this, the city keeps his money!

* * *

Citizens of Teaneck, New Jersey, are patting themselves on the back for adopting the manager plan a few months ago. A cut of ten per cent in the tax rate has convinced the most skeptical that there's something in this notion of removing partisanship from administration.

Another county has committed suicide! It's Campbell County, Georgia. Fulton and Campbell Counties have voted to consolidate and Fulton County will gain ten thousand new citizens and 211 square miles of territory on January 1. All the officials of Campbell County lose their jobs as a result of the merger.

* * *

City Manager Daniel E. Morgan would make a fine mayor, comments Maurice Maschke, Republican leader of Cleveland. Political bosses seldom indulge in idle words. If Maschke can't upset the manager plan he can at least steal the manager!

* * *

The following five cities have adopted the city manager plan since January 1: San Diego, California; Dexter, Maine; Asheville, North Carolina; Jacksonville, Texas; Appalachia, Virginia. The San Diego charter, however, still remains to be approved by the legislature. Asheville, in a financial crisis due to bank failures, sees hope in a businesslike administration.

* * *

Strict state supervision over local governments is authorized in the Local Government Act passed by the North Carolina legislature. A board, composed of the state auditor, state treasurer, commissioner of revenue and six others appointed by the governor, will regulate the issuance of bonds and tax anticipation needs and have other important supervisory powers.

* * *

Opponents of capital punishment feel better now. Although the Kansas legislature passed a bill restoring the death penalty in the state by more than a two-thirds vote, Governor Harry H. Woodring vetoed it. Voters of Michigan refused by an overwhelmingly majority to restore the death penalty in their state at a referendum in April.

* * *

The third attempt to secure permanent registration for Kansas City has been defeated in the Missouri legislature, the Kansas City Service Institute estimating that failure to pass the bill will cost the city $200,000 in the next two years.

* * *

Can a city council in a home rule state prevent the application of an optional city government law to its city? That is the queer question presented by the recent action of the Binghamton, New York, city council, which, just prior to the filing of a citizens' petition for a city manager referendum, "repealed" the optional law as applying to Binghamton and refused to honor the petition. Mandamus proceedings are pending.

* * *

Passage by the Iowa legislature of a bill abolishing the fee system for payment of county officials ends a long fight for this constructive action waged by the Des Moines Bureau of Municipal Research.

* * *

Will J. French, state auditor of Kansas, passes up no bets when it comes to publicity. His picture goes out on every check the state issues!

Howard P. Jones.

A MODERNISTIC CIVIC CENTER FOR RICHMOND, CALIFORNIA

BY CAROL ARONOVICI

Richmond is an industrial city. To be architecturally appropriate the new civic center must meet the demands of utility as well as beauty. :: :: :: :: :: :: :: :: :: ::

THE industrial development of Richmond, California, has been faster than its increase in population. With a splendid inner harbor in addition to a harbor on San Francisco Bay, important enterprises like the Standard Oil Company and the Ford Manufacturing Company have determined upon Richmond as suitable headquarters for Northern California.

During the real estate boom, Richmond became the victim of over-speculation in land. Having no adequate city plan, it developed in an unsatisfactory manner. Ten years ago a comprehensive plan was prepared by the writer and his associate, Guy W. Hayler. This plan has been carried out in many aspects, including the acquisition and improvement of sixteen parks in less than ten years.

The original comprehensive plan contains provisions for a civic center which have now proved out of harmony with the rapid progress of the city. The mayor with the consent of the city council has, therefore, initiated a project for a civic center capable of expansion as needs may arise.

The present writer was asked to develop a civic center plan which would lay the foundation for an understanding of local needs by the citizens of Richmond. He called in to assist him Richard Neutra, well-known architect and author, and R. M. Schindler, also an architect of the modern school.

It is possible that the civic center will be located in one of the local parks, upon an area of about five acres and fronting on the main artery of travel, but away from the business center of the city. This location, which usually might not be considered desirable because it takes park area which might be put to other public use, in this case harmonizes with the city's effort to create an architectural center sufficiently isolated from the rest of the city to give it integrity and save it from unavoidable conflict with the average building which might be constructed nearby and over which the city would have no control.

THE GROUND PLAN

The ground plan was concerned with the following requirements:

1. Non-interference with the general flow of traffic.
2. Classification of functions, with separate and distinct approaches for each function, such as police, library, technical departments, auditorium, etc.
3. Removal from the street and park of all parking having to do with the actual work of carrying on the city's business. Underground parking for official cars.
4. Centering of all buildings about a court so as to afford double façades and avoid raw wall spaces.
5. Connecting the group of buildings by a pergola, which will provide for pedestrian traffic between buildings

and will add a feature to the general scheme which is capable of satisfactory landscape and planting treatment.

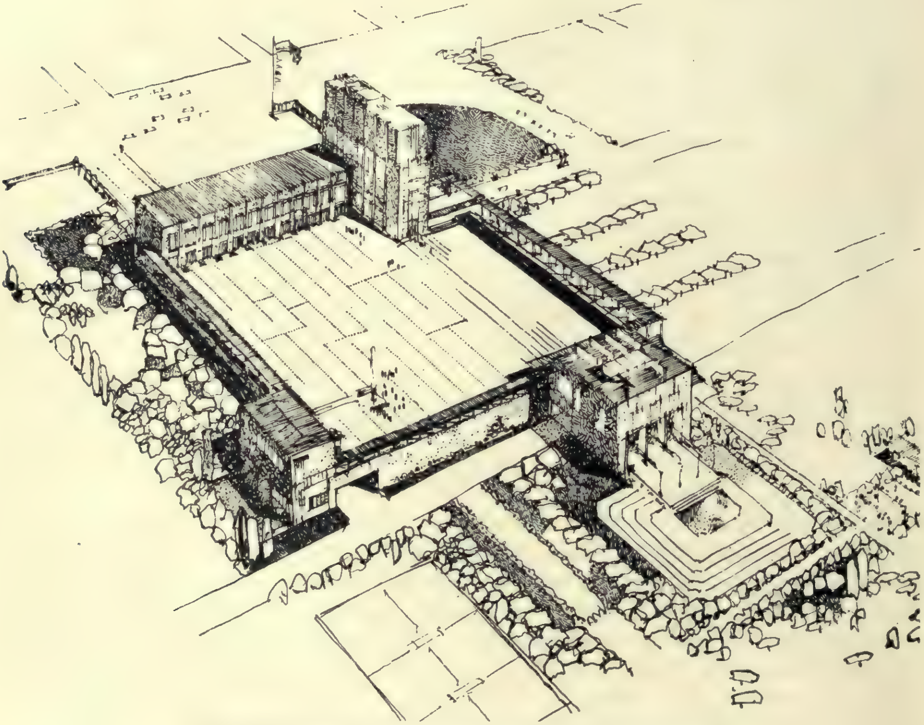
ARCHITECTURE

The architecture is of a distinctly modern type and without the usual over-ornamentation of civic center buildings. This was essential in a community where utility is of first importance and where classicism or any other type of architecture which imitates rather than creates had no place.

The buildings which constitute the Richmond Civic Center include the city hall, quarters for the fire, police and technical departments, the city public library and the auditorium.

Each building may be constructed independently and each will be related to the local street system.

The plan is, of course, subject to changes which may be suggested as the problem is considered further in its various aspects. There is, however, a strong public opinion in favor of a civic center and the present plan is an effort to give concrete expression to a community aspiration.



Civic Center Proposed for Richmond, California

THE CITY PLAN OF BOULDER CITY

BY S. R. DE BOER

City Planner, Denver, Colorado

A new, made-to-order city is arising to house the persons employed on the construction and maintenance of the Hoover Dam. Its plan incorporates the most modern ideas of how a town should be built.

Boulder City, Nevada, is the model town being built by the bureau of reclamation of the department of interior as a small town for the housing of the men employed on construction of the Hoover Dam across the Colorado river. It is located twenty-five miles east of the city of Las Vegas, Nevada. It is expected to house not less than 2000 people and probably as many as 5000 people during the construction period, and between one and two thousand afterward. The town site is located on a tract of land overlooking the proposed Boulder Lake and its 220 square miles of water. For climatic reasons the site selected is not located directly on the lake shore but is on higher ground, with cooler temperature and with better advantages as to soil, drainage and topography than were available on the lake shore.

TO BE A MODEL CITY

In the building of the Hoover Dam this small town is of secondary importance but Dr. Elwood Mead, commissioner of reclamation feels that the town should come up to the standard of efficiency set by the bureau and, above all, that on this desert he must create living conditions for his men that will tend to keep the construction forces contented and prevent a too great turnover. With this thought in mind, the plan of Boulder City has been based on the idea of making it a model city.

The plan of the city consists of a large V, with main traffic lines along each side and a third one through the middle. These three major streets all center in the apex of the V which is the main entrance of a government office building. Two other buildings for government use form, with the first one, a small civic center group with an open park on the side of the city. In this way the government buildings are the focus point of the city which will lie fanlike to the south of the building group.

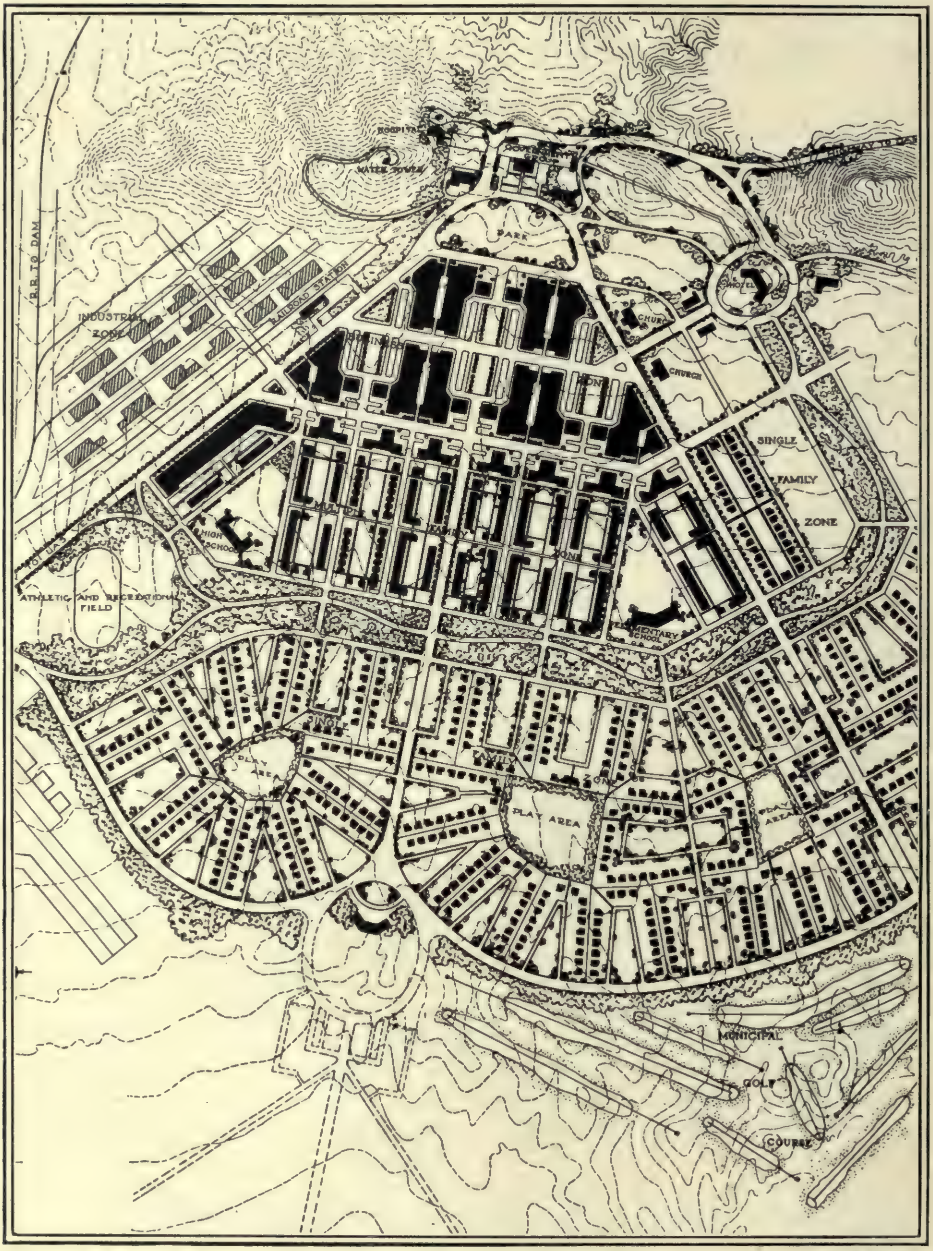
TO AVOID TRANSPORTATION DIFFICULTIES

Many new thoughts are embodied in this plan of Boulder City. An attempt has been made to design a city which, from the standpoint of the business district, as well as from the standpoint of the residential areas, prevents the transportation difficulties common to modern cities. Among the new ideas embodied in the plan are:

1. In the business district the parking of automobiles on the streets will be prohibited. Instead of the usual curb parking, provision is made for the parking of automobiles on open plazas.

2. Instead of business streets, all stores and offices are located around open squares, the interior of which are to be used for parking automobiles.

3. With this arrangement it is possible to create store groups of unusual beauty. With automobile parking space in the plazas in front of


HOSPITAL
WATER TOWER
GOVERNMENT GROUP
HIGHWAY TO DAM
PARK
HOTEL
R.R. TO DAM
INDUSTRIAL ZONE
RAILROAD STATION
BUSINESS ZONE
CHURCH
CHURCH
SINGLE FAMILY ZONE
MULTI FAMILY ZONE
HIGH SCHOOL
TO LAS VEGAS
ATHLETIC AND RECREATIONAL FIELD
ELEMENTARY SCHOOL
SINGLE FAMILY ZONE
PLAY AREA
PLAY AREA
PLAY AREA
MUNICIPAL GOLF COURSE

S. R. DeBoer

General Plan—Boulder City, Nevada

the stores, customers can drive within close proximity to the business houses.

4. The grouping of stores around the squares will be done according to the laws of natural zoning found in nearly all cities, namely, stores for clothing and wearing apparel will be together and so will grocery and foodstores,

furniture and hardware stores, printing shops, laundries, automobile service stores, etc. Among these will be placed stores of general service such as restaurants.

5. Instead of the usual corrective measures embodied in zoning laws, an attempt will be made to regulate all building matters by architectural control. A master plan has been made to which all buildings must fit. With the use of the plaza plan this is expected to give unusual results.

6. On the plan, through traffic and business traffic have been separated.

7. The provision of many zoning ordinances for extra open space along alleys to afford loading and unloading space for trucks has been embodied in the street plan, in other words the extra width is dedicated to the public.

FROM BLOCK PLAYGROUNDS TO FORESTS

8. The multiple family zone adjoins the business district and consists of long blocks in which the middle part has been kept open to be used as a block playground. These blocks are 900 feet long and cut in the middle only by a walkway. In this way cross streets are avoided. The houses are to front in and garage will be on the street side.

9. A wide belt of forest is placed around this first unit of the city. Forest planting is used on account of its greater economy of maintenance in the hot desert location as compared with regular park treatment.

10. A new type of open residential development is proposed outside of this forest belt. It consists briefly of the elimination of all streets from a fifty to sixty acre area of homes with the exception of the boundary streets. The boundary streets are the main arteries of the city. On these boundary streets are placed a number of groups of homes placed around the outside of a V-shaped open tract. Every group contains eighteen homes. The space inside the V belongs to the abutting owners but must be kept by them according to the planting arrangement of the group. A narrow road of semi-public character ties the homes to the main street. The advantages of this system are that no home fronts on a traffic artery. All homes front on a small open space; all homes are close to a good traffic street without suffering from it. In the interior of the area all the groups connect with a central playground, which is absolutely safe, close to all homes, and attractive. The per family cost for street construction in this type of residential development is less than in the usual type of gridiron blocks. Every home has a good setting and the treatment can be elaborated for larger homes and made smaller for small homes.

11. On the plan the second girdle of the city is formed by the airport and a golf course. The city is not expected to grow beyond this but plans for extension are indicated.

12. Commercial hotels front on the civic park; a tourist hotel is located on a knoll adjoining the city.

13. Churches are all grouped in one section of the city to stimulate religious consciousness.

14. Use is made of every public building to create street vistas. The railroad station is at one end of Main street; the leading church at the other end, and the city hall and post office form the closing buildings of the central plaza.

15. A grade school and a high school will front on the forest belt. Both are located away from traffic lines and are given an attractive setting. An athletic field adjoins the high school.

SAN FRANCISCO APPROVES PLAN FOR CONSOLIDATION WITH SAN MATEO COUNTY

BY ALFRED H. CAMPION

Former Secretary, San Francisco-San Mateo Consolidation Committee

The scheme for a consolidated government for San Francisco and San Mateo County, approved by the voters of San Francisco, will now be presented to the voters of the county. :: :: :: :: ::

San Francisco's new charter, which was adopted by vote of the people on March 26 (and now awaits only the approval of the legislature to become effective in 1932) carried lengthy provisions dealing with the future consolidation of San Francisco and San Mateo County. The track is now clear for the San Francisco board of supervisors to submit to the voters of San Mateo County a specific proposal for consolidation under a charter plan the terms of which are definitely known. According to the California constitution, a proposal for consolidation must receive a favorable majority vote in San Francisco, in San Mateo County as a whole, and in each incorporated city of the county. The first has now been attained.

It is expected that the state legislature will follow precedent by approving the new charter. To avoid possibility of a slip-up, however, a consolidation amendment to the existing charter was submitted to the San Francisco electorate at the same time and was carried by a much larger majority than the new charter itself. Should the new charter not be approved by the legislature, the charter amendments providing for consolidation under the same terms become effective.

SAN FRANCISCO'S NEED FOR EXPANSION

San Francisco's need for expansion is apparent to all who are familiar with the city's geographic position. The city comprises 42 square miles of land area on the tip of a peninsula. Because it is both a city and a county, with the county line crossing the peninsula less than seven miles from the city hall, it has been denied the usual prerogative of a city of annexing territory within its county area. The spectacular growth of Los Angeles, its great rival city on the south, by wholesale annexations until it covers more than ten times the area of San Francisco, has not failed to leave an impression.

Outstripped in the race for population, San Francisco has naturally turned to the only methods of expansion open to it. Although it has recently voted a $35,000,000 bond issue to bridge its famous Golden Gate by a physical connection with its vast hinterland to the north, the only immediate hope of political expansion is southward down the peninsula into San Mateo County. San Mateo County is the remnant of the original San Francisco County which was created when the city of San Francisco was divorced from the rest of the county in 1856 to form the present City and County of San Francisco.

The procedure prescribed by the constitution for regaining for San Francisco territory which was once a part of the same county places San Francisco in a more advantageous position than are some other metropolitan cities. The state constitution provides expressly for the enlargement of a city and county to include territory in another county, and as San Francisco is the only city and county in the state, the provision applies solely to San Francisco. On the other hand, San Mateo County and its incorporated cities have a multiple veto power over any consolidation proposal which may not be agreeable to them. The county and its localities are just as jealous of their independence as the satellite communities surrounding any other metropolitan city.

Several movements in the past to unite San Mateo County, or a part of the county, with San Francisco have failed to reach the voting stage. About four years ago, however, the San Francisco Chamber of Commerce sponsored a fact-finding survey which was made by the San Francisco Bureau of Governmental Research. As the result of the publication of the survey, a committee composed of citizens of the two communities was organized to make further studies and take such steps as appeared advisable. Colbert Coldwell, a prominent civic leader and former president of the San Francisco Chamber of Commerce, was chosen chairman.

One of the first efforts of the committee was to induce the 1929 state legislature to pass a revised and modernized enabling act to make effective the consolidation provisions of the state constitution.

The constitution provides that charter amendments, or a new charter, looking towards consolidated area government to become effective upon consolidation, may be adopted prior to or made a part of a formal consolidation proposal. In order that the terms would be generally understood before a vote is taken, the committee decided that the San Francisco charter should be amended prior to the submission of a formal proposal for consolidation.

THE PLAN OF CONSOLIDATION

The consolidation provisions upon which San Francisco voters acted on March 26 represent only a step, but an essential one, in the program to bring about a greater San Francisco. As a plan for the political integration of a metropolitan area, they propose a system of government unlike any in operation or suggested for any other large city on the continent. It is designed to meet the particular requirements of the state constitution and the political conditions existing in San Mateo County.

The outstanding feature of the plan is the creation of a system of optional boroughs in the territory to be consolidated. These boroughs will have exclusive powers to perform nearly all the functions of the present cities of the county, except police and fire protection, health services, building inspectional services, and water supply. They will have sufficient legislative and fiscal powers to enable them to operate as autonomous units within the city and county. A large measure of home rule is guaranteed them by the state constitution which prescribes that, once a borough is established, its boundaries can never afterwards be changed, nor can it be consolidated with any other borough, nor disestablished, nor can any of its powers be modified or transferred to the city and county, unless the borough voters first give their consent.

As a concession to local sentiment, the present consolidation plan provides that upon consolidation every incorporated city in the county will automatically become a borough. There are now twelve such cities with populations ranging from 400 to 14,000. Many persons believe these units are too many and too small. But the committee took the position that, if boroughs may enlarge their boundaries, consolidate, or vote disestablishment, at their option, economic conditions incident to maintaining borough status will be a far better determinative of their number and size than any arbitrary political action. To encourage more comprehensive borough areas, the plan provides for a borough commission to make a report on modification of borough areas within two years after consolidation, and until the commission reports, no new boroughs may be created. Any new borough must have at least 3000 population.

The plan of consolidation provides for a generally uniform borough organization, based on the organization of the two charter cities in the county. Elective officers will be the members of the borough council and a borough controller. Borough managers will be optional, contingent on a borough vote, except that incumbent city managers will continue as borough managers. As far as possible, city officers and employees will continue in borough service. Boroughs will continue city contracts, special assessments and other public works under way. City ordinances may also be continued as borough ordinances, if not inconsistent with city and county ordinances. Civil service and pension benefits for borough employees will be optional, contingent on a borough vote, but, if provided for, the borough systems will be administered by the respective departments of the city and county and according to city and county procedure. At present no city has either a civil service or a pension system.

BOROUGH FINANCES—DIVISION OF FUNCTIONS

Borough taxes will be levied on the city and county assessment and the tax limit will be $1.00 on each $100 of taxable property. Boroughs may issue bonds for any borough public improvement, the debt limit being five per cent of taxable borough property. Borough taxes will be collected by the city and county and the city and county treasurer will have custody of borough funds. The city and county auditor will audit borough accounts, although a borough may provide for an independent audit and the borough controller will have important responsibilities concerning all borough financial transactions. The city and county will provide boroughs with legal services, although a borough may employ its own counsel. The city and county will also supply engineering and architectural services to the boroughs and will purchase borough supplies, and conduct borough elections.

The board of supervisors of the city and county will have power to determine what major highways, main trunk sewers, parks, playgrounds and recreational facilities within borough limits shall be constructed and maintained by the city and county. The board may also provide for borough sewage or garbage disposal, but until it does, boroughs may dispose of their own.

A major problem was the development of a tax plan for such a flexible system of local government. The plan incorporated in the charter contemplates that the city and county will levy a uniform tax on the area, including the boroughs. For those boroughs which maintain streets, sewers, libraries, parks and playgrounds, which otherwise would be an obligation of the city and county, the board of supervisors will provide a uniform system of subventions from tax funds, provided that the subvention to any borough in any fiscal year shall not exceed either the aggregate amount appropriated by the borough for such purposes, or the amount raised by city and county taxes for like purposes levied against the taxable property of the borough. The equity of such a tax plan remains to be worked out by the committee on the basis of a number of factors which are as yet conditional.

All of the county functions will be merged with those of the city and county with provisions for continuation of certain officers and employees. State law provides that the San Mateo County superior court will become a department of the superior court of the city and county and will continue to hold sessions at its present location.

The plan preserves the integrity of the existing city and county government of San Francisco and makes it possible for the local communities in the territory consolidated to preserve their integrity through borough governments for local affairs. One county government and more than two score county districts will be automatically eliminated. Borough government is not imposed and need not exist except to the extent that a local community finds that it gives better service and is worth the cost. Consolidated city and county government automatically begins wherever borough status leaves off.

SAN FRANCISCO ADOPTS A NEW CHARTER

BY WILLIAM H. NANRY

Director, San Francisco Bureau of Governmental Research

The new charter, unique in some respects, will improve the efficiency of San Francisco's government. :: :: :: :: :: ::

On March 26, at a special election called for the purpose and after a particularly active campaign, the citizens of the City and County of San Francisco, by a majority of 13,638, adopted a new charter. The total vote cast was 104,800, breaking all existing city records for balloting at a special election.

The anti-charter campaign, sponsored in large part by various organized groups of municipal employees, was characterized by a series of misrepresentations and opposition to certain provisions of the new charter which the opponents felt would interfere with their "rights." It has been stated that more political pressure was brought to bear in the campaign than in any other local campaign during the last forty years.

POLICEMEN AND FIREMEN OPPOSE THE CHARTER

Either by deliberate misrepresentation or as a result of careless reading of the new charter, word was spread that the present police pension benefits had been curtailed, and also those provided for the firemen. In this way the members of the police and the fire departments were brought into the fight. Civil service employees were enlisted in opposition, on the ground that the new charter jeopardized their status and existing rights.

These misstatements were, of course, corrected by the publicity, speakers, paid advertisements and radio addresses under the auspices of the New Charter Citizens' Committee, an organization formed to work for the adoption of the new charter. Such corrections, to judge by the vote at the election, not only impressed the public but indicated the overstatements and unsoundness of the anti-charter campaign, with the result that the anti-charter campaign helped to carry the new charter.

Two of the four daily papers of San Francisco favored the charter, one conducting a very strenuous campaign for its adoption. A third paper was neutral. The fourth paper launched and continued throughout the period a very bitter campaign against the new charter.

The board of fifteen freeholders which wrote the charter was elected last August. The election was called by the board of supervisors as a result of the prior organization (March, 1930) and functioning of a Citizens' Charter Revision Committee. This committee had for its purpose the improvement of the old charter by an amendment which it planned to submit at the November, 1930, election. It was felt in various quarters that the election of freeholders would block charter revision. However, because of the high type and representative character of the fifteen citizens who were chosen as freeholders, the charter which they produced is conceded to be, in many of its particulars, one of the best that has been before the voters of any large city.

A MATERIAL IMPROVEMENT

The Bureau of Governmental Research believes the city manager plan to be a better structure for a municipal government than the strong mayor plan, which the new charter establishes. The bureau has advocated the city manager plan for years, and presented and urged its adoption before the board of freeholders. The bureau believes, however, that the new charter represents a material improvement in the city's governmental organization and procedure as compared with the organization and procedure fixed and established by the old charter.

The new charter is drafted as the fundamental law of the city and county. It establishes the widest range of municipal powers that the state constitution permits. It provides for flexibility under which disputes as to jurisdiction can be solved without future charter amendments. It eliminates many matters of ordinance regulation that are written into the existing charter, which have proved to be inflexible and have continually hampered the city in meeting new governmental conditions. Such grant of general powers and flexibility should obviate the need of the large number of proposed charter amendments that both officials and citizens have been burdened with in the past under the old charter.

A NEW FEATURE—THE CHIEF ADMINISTRATOR

One of the outstanding features of the new charter, and one which is unique among municipal charters, is the position of chief administrative officer, an official appointive by the mayor—but removable only by the supervisors or by recall—who will have in his charge several strictly administrative departments of the city.

The charter, which becomes operative on January 8, 1932, establishes a "strong mayor" government, reduces the board of supervisors from 18 to 11 members, and makes this body definitely a legislative board, relieving it of all administrative duties. Under the old charter the supervisors exercised many purely administrative powers and duties.

Besides the mayor and the supervisors, the following officials will be elective under the new charter: assessor, treasurer, city attorney, district attorney, sheriff, public defender, and judges of the municipal and the superior courts. Six "county" offices, heretofore elective under the old charter, are made appointive under civil service by the new charter.

MAYOR ESTABLISHED AS EXECUTIVE HEAD

Executive responsibility is definitely centered in the mayor under the new charter, through the appointive and the budgetary powers vested in him. Besides the chief administrative officer and the controller, he will have the appointment of the following boards and commissions: Fire, police, civil service, city planning, retirement, parks, recreation, library, public utilities, permit appeals, fire prevention appeals, and art. The last four are new boards.

The executive budget duties of the mayor represent the principal change that the new charter establishes in the office of mayor. The old charter established a legislative-budget procedure, with a very cumbersome disbursing procedure under which the board of supervisors exercised the major powers and duties.

Under the new charter the mayor is vested with authority and responsibility for (1) considering and acting on the annual budget estimates of all revenues and expenses of all departments of the city and county, (2) modifying these and coördinating them into a single, complete financial program for the city, and (3) proposing this as an annual executive budget to the board of supervisors, on whom will rest responsibility for final action. The so-called annual budget of the city and county under the old charter has been a budget of expenditures only, and, furthermore, of only a part of the city's proposed expenditures. Under the new charter all revenues and all estimated expenditures of the city will be budgeted.

The chief administrative officer, appointed by the mayor, may be removed by a two-thirds vote of the supervisors, or on charges filed by the mayor and sustained by a three-fourths vote of the supervisors, or by recall by the voters. This official is placed in charge of the existing departments of public works, health and electricity, of the bureaus or offices of purchasing, real estate, county coroner, county welfare bureau, county horticultural commissioner, and county sealer; and also of a department of finance and records, in which the offices of county clerk, tax collector, county recorder, registrar of voters and county public administrator are placed.

All of the officials and employees under the chief administrative officer will be subject to civil service, except the directors of health, public works, purchasing, and finance and records.

FISCAL PROVISIONS

Besides the appointment of the chief administrative officer, the mayor will also have the appointment, subject to confirmation by the board of supervisors, of a controller, as chief accounting officer of the city and county. His duties include the pre-auditing of all purchase orders, contracts and other proposed city liabilities before such liabilities may be incurred by any department head; the auditing of the accounts of all boards, officers and employees of the city and county; the preparation of monthly reports and the submission of these to the mayor, the supervisors and other city officials; and similar important accounting and expenditure-control functions. The charter provides that the controller's accounts shall be audited annually by outside accountants, by order of the board of supervisors.

The duties of the purchasing department are expanded to include the operation of a central warehouse and stores, as well as of a central shop and garage for maintenance and upkeep of city-owned equipment in use in the several departments. Contractual provisions, relative to public works as well as to purchasing, are materially tightened up.

The city's cumbersome bond issue procedure under the old charter is materially simplified in the new charter, being based in the main on the general laws of the state of California covering bonded indebtedness procedure for municipalities.

PUBLIC UTILITIES COMMISSION

The establishment of a non-political, business-like public utilities commission, which the Bureau of Govermental Research, other civic organizations and the press have urged for many years, is insured by the new charter. A commission of five members will take over the management, control and operation of the municipal railway, the water department, the completion of the Hetch Hetchy water supply project, the airport, and any other utilities that may be acquired and operated by the city and county. The chief executive of the commission will be a manager of utilities, appointed by the commission. This official is authorized to appoint and remove, subject to the approval of the commission, the head of each utility under the commission's jurisdiction.

One of the most important powers of the commission is that of rate-fixing, subject to review by the board of supervisors. The supervisors may reject, only by a two-thirds vote, any proposed rates estimated to produce sufficient revenues to meet all expenditures of the utility, while any proposed schedule of rates that will not meet all expenditures of a utility must secure a two-thirds vote of the supervisors to approve such schedule, in which case provision must be made for the raising of funds by taxation to meet the deficit.

CIVIL SERVICE IMPROVEMENTS

Civil service rights of all employees now under civil service are continued. The merit system is extended to the positions in three departments, and to a number of individual positions in various offices, heretofore exempt from civil service. This will have the effect, not only of extending the merit system, but also of opening up promotional opportunities for civil service employees in the lower ranks in these offices.

The salary standardization principle provided by the old charter is also carried over and certain improvements in procedure are provided. The supervisors are required to adopt a schedule of compensations based on "like pay for like work." Until this is done, no compensation may be increased by the supervisors so as to exceed the salary or wage paid for similar services in other city departments or in private employment, nor so as to exceed the rate fixed in a schedule of compensations which had been reported by the civil service commission to the supervisors in April, 1930.

Prohibition of "active participation" in politics relative to the election or appointment of public officials is extended to all civil service employees; only members of the fire and the police departments were included in this prohibition under the old charter.

PENSIONS

The present retirement system for teachers and the general employees of the city, scientifically established on an actuarial basis and under which adequate reserves are being provided by joint contributions of the city and the individual employees, is continued and its provisions extended to policemen and firemen who enter the respective departments after the charter goes into effect. The old charter provisions relative to present members of the fire and the police departments, and retired members and beneficiaries on the fire and the police pension rolls are continued with some additional benefits and improvements.

The charter also provides that any person receiving a pension shall not hold or receive payment for any city office or position. To prevent pension abuses, it also provides that any person, except one retired for disability, who retires at an early age (retirement at 47 or 48 is possible under the present fire pension system)—and, while receiving a city pension, is employed by a private firm or another city—shall be subject to a reduction in the amount of his city pension payment so that such payment, plus the wage or salary earned in such private employment, shall not exceed the compensation under which the retirement allowance was based. This provision in the new charter is similar to the present ordinance provision governing general employees and teachers. The equity of such a provision is obvious.

The charter carries lengthy provisions looking toward the future consolidation of San Francisco and San Mateo Counties. These provide for the establishment of boroughs in the present San Mateo County, in the event of consolidation, and for the organization, powers and duties of the boroughs.

The Bureau of Governmental Research believes that the new charter provides for a great improvement in the city's governmental organization and procedure.

REDUCED COSTS THE KEY TO REDUCED MUNICIPAL TAXES

BY ROWLAND A. EGGER

Griffenhagen and Associates

The New Jersey commission on local taxation and expenditures makes a state-wide investigation of local government costs and proposes new methods for getting and keeping them down. :: :: ::

WHY are local taxes so high? What can be done about reducing local rates? These are the problems with which numerous commissions throughout the United States have dealt. They are the basic problems with which the New Jersey commission on county and municipal taxation and expenditures has been confronted.[1] The previous answers to these questions have, since tax limitation became *gauche*, been almost entirely concerned with a shifting in the incidence of the burden—suggestions of state income taxes and separation of revenue sources, additional revenue measures, and kindred pharmacopœial remedies which have become standardized among government reformers.

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[1] The Commission to Investigate County and Municipal Taxation and Expenditures, *The Organization, Functions and Expenditures of Local Government in New Jersey.* (Trenton 1931)

This time new answers have been formulated. In addition to rather spectacular discoveries regarding specific phases of waste in administration, the investigation is significant as the precursor of a new technique in governmental financial research.

There are 562 municipalities, 543 school districts, 21 counties, and countless special districts in New Jersey.

This is the first time in the history of governmental investigation that a detailed study of functional costs has been made for all local governments in a state. This, in turn, was possible only because New Jersey, through the activities of the state department of municipal accounts in the supervision of local finance, has for some years past been collecting budget, audit, and debt reports on the financial condition of every county and local government in the state. The reports of the county superintendents to the state education department contain substantially the same information for school districts. A thorough and scientific analysis and classification of this information yielded very tangible basic data upon which to proceed.

This information was indispensable in the unique approach which the commission had agreed upon as being most constructive. It permitted a composite view of governmental services in all their relations—a survey of local government as one of the agencies supplying services and phases of services to the public. Thus, in arriving at service costs, the expenditures in the pursuance of the function of every spending agency involved whether state, county, municipality, or special district was included in the calculation.

COSTS AND WASTES IN MUNICIPAL SERVICES

With this information in hand the commission was able to proceed with two objectives in mind; first, the discovery of the portion of the tax dollar consumed in the performance of each service; second, a further analysis of the administration of these functions with a view to economy and efficiency.

It appeared early in the investigation that a major portion of county and municipal expenditures was concentrated in four services—education, highways, protection, and interest on debt. These are the burdensome local services. Because these services consumed such a large portion of government revenues, it was felt that a detailed investigation of their administration probably would reveal the prevalent organizational defects, as well as the basic faults in administrative technique, which findings could then be verified for the remaining services by the investigation of particular phases of their administration. Detailed functional studies of education, highways, protection (chiefly police and fire), as well as a comprehensive debt study, have been made, together with investigations of general financial administration and special assessment.

POSSIBLE ECONOMIES IN FUNCTIONAL COSTS

On the basis of the functional studies three approaches to the problem of economy were made. The first of these considered the agency of administration. In the functional studies the broad problem of the structure of government assumes a concrete application, and the structural needs of supplying a particular service are made apparent. Is the right geographical unit performing this function? Should it be transferred to a larger unit, or would the establishment of adequate state supervision and expenditure control be effective? If it should be transferred, should it be allocated to the county, to the state, or should an intermediate unit, the region, be created for its performance?

The second aspect of the functional studies deals with the possibilities of establishing a superior type of expenditure control, based upon adequate knowledge of local service requirements and scientific unit costs. In general, the lack of adequately formulated service standard costs results in inevitable waste. The functional studies attempt to indicate the methods by which standards of service costs for particular functions may be formulated, and the use to which they may be put in eliminating waste and inefficiency.

In Section 3 of Report I, the commission proposed the creation of a division of municipal standards and costs in the department of municipal accounts, empowered to "compile information relative to the costs of operating the various departments and services in the municipalities and counties," . . . "prepare, from time to time, suitable standard or unit costs for the several municipal and county departments and services which shall be based upon the analysis of the data and information obtained from the municipalities and counties under the system of accounting and reporting herein authorized." . . . "The commissioner of municipal accounts may require the municipal or county budgets to show, in parallel columns, the amounts for any department or service as determined by his standards of service and costs and the actual estimates for such department or service where such estimates exceed his standards." While the outlined functioning of the division of municipal standards might appear to be an overly theoretical method of expenditure control, the practicability of this type of supervision receives concrete illustration in the functional studies.

The third approach concerns the details of administration and the law. Can certain sections of urban areas be better and more cheaply policed through motorized patrol? What would be the effect of elevating structural standards and increasing fire preventive activity in reducing fire protection costs? What has been the effect of attempted legislative control in administration, and wherein has it failed? What should be done toward the rationalization of the laws?

RECOMMENDATIONS

On the basis of the data thus compiled, supplemented by intensive field investigation at every point, as well as a careful analysis of legislation governing municipal organization and administration, the commission has arrived at certain definite conclusions:

1. Local governmental organization and structure must be simplified. The commission suggests a simplified optional charter system. It also insists upon a substantial reduction in the number of local government units as an indispensable antecedent to successful central administrative supervision and rational functional reallocation.

2. A basis for intelligent criticism of public expenditures through the development of standards of service and costs must be established, as indicated above.

3. The responsibility for the performance of various services must be reallocated according to logical analysis rather than by accident or tradition. The commission suggests the transfer to the state, for example, of a considerable part of the present system of county roads, all custody of persons under sentence, all care of diseased and dependent persons now in county institutions, and all county courts. It suggests also, as a corollary of the differentiation of rural-urban areas, and the consolidation of contiguous urban municipalities, city-county separation

or, alternatively, the transfer of all save strictly construed "purely local" functions to the counties, and the abolition of rural sub-county municipalities. While affirming the inevitability of regional government, the commission warns against allowing functional duplication between regional and local governments, and the multiplication of taxing authorities.

4. On the basis of this integration, the commission points out the need for state and local coöperation through coöperative home rule. By coöperative home rule, the commission is talking of something more tangible than a mere point of view. In New Jersey there has been at the same time too much local anarchy and too much legislative meddling—a plethora of home rule in some matters and a dearth of local independence in others. The commission proposes not only the retention of responsibility for the administration of local affairs by the municipality, but the actual authority over their administration. On the other hand, it proposes that the state provide the locality with the basic data necessary to secure full value for its tax dollars, and insure the availability of such information to the local governing bodies.

5. The administration and policy-forming functions of government should be separated, and expert administrators should be given the task of actually doing the job.

6. The spoils system should be abolished.

FINDINGS FREE FROM POLITICAL PRESSURE

The commission has perhaps been unique also in its freedom from political pressure in its findings. This freedom has enabled it to formulate a program of reorganization which probably will take several years to accomplish. At the same time it has offered concrete proposals for the remedy of extant defects, some of which have already been enacted into law, some of which are feasible of immediate adoption, and some of which are designed to accompany the slower moving processes of basic readjustment. The report, on the whole, presents a program, the effectiveness of which does not impend upon the immediate adoption in toto of the structural recommendations correlated with the general program.

J. H. Thayer Martin is chairman of the commission. It has had the directing counsel of Dr. Harley L. Lutz of Princeton University. The work has been carried on by a staff assigned from the organization of Griffenhagen and Associates under the leadership of Hugh J. Reber, chief of staff.

HOW THE RADIO AIDS POLICE WORK

BY H. T. SHENEFIELD

Secretary, Toledo Commission of Publicity and Efficiency

Toledo's experience demonstrates the radio's utility in catching criminals. More than sixty cities are already operating or have under construction police radio services. At least three states are doing likewise. :: :: :: :: :: :: :: :: :: ::

Back in 1921 William P. Rutledge, then superintendent and later commissioner of police in Detroit, got the idea that radio might be used for the purpose of dispatching police scout cars. After much experimentation the system was finally put into successful operation in 1928. The Detroit Police Department thus became the first to use radio broadcasting successfully for the purpose of dispatching police cars. Not that other departments did not play with the idea, like Chicago, where over WGN a symphony might suddenly be interrupted while a stentorian voice boomed out on a nation-wide hookup the fact that at that very minute some second story men were "pulling a job" at Gumbo street and Prairie avenue.

One of the difficulties encountered in the early days in Detroit was the fact that regular receiving sets were used and men in the scout cars tuned in on nation-wide hookups and missed Detroit holdups. Another was encountered in the way of poor reception and numerous "dead spots." It was thought at the time that this was due to the downtown location of the broadcasting station and so it was moved to Belle Isle. These wrinkles were subsequently ironed out and it now appears that the trouble was due to defective broadcasting and receiving apparatus and not at all to the downtown location. Some, of course, objected that the idea was as good for crooks as for police officers and that it was a nicer plaything than it was an instrument for coping with the ultramodern criminal. Nevertheless, Rutledge finally secured partial acceptance of the idea and by September, 1928, eight scout cars were equipped with radio receiving sets locked to the short wave length of the Detroit Police Department Station WCK.

SOME NOTABLE CATCHES

It was not long after the scout cars were so equipped that some marvellous "catches" took place. One of these cases was a holdup in a restaurant. The alarm was turned in and a broadcast for the precinct scout car sent out by the station. The scout car happened to be cruising not more than a block away and arrived at the scene of the crime almost immediately. Upon entering the place the officers were mystified by the fact that no one was in sight. Proceeding to the kitchen they caught the holdup men redhanded in the act of robbing cooks, waiters, and customers. Other such spectacular episodes followed.

During September, 1928, with eight radio equipped scout cars, arrests were made on 101 runs in a total elapsed time of 78 minutes between the time of broadcasting the order and the arrival at the scene of the offense. An average of less than a minute in responding to calls was enough to make the most case-hardened advocate of the "flat-foot" school of policing listen to reason. Early in 1929 all Detroit scout cars were so equipped. Shortly Chicago borrowed some of Detroit's men, and inaugurated the same system. Other cities followed and are still following Detroit's shining example. According to the announcement of the federal radio commission last March, police radio broadcasting stations were being operated or being constructed in 60 cities, two townships and three states. At that time construction permits had been authorized for 20 other cities, one state and for the New York fire department. Seattle has installed a second station and Chicago a third.

The idea has not only taken hold; it is sweeping the police departments of the country. Some object rather cautiously that so long as it is possible for ordinary sets to pick up police broadcasts that the resultant advantage to crooks is equal to that of the police. The answer is that very few ordinary sets will pick up low wave police broadcasts without a special attachment. Even so, how do they know from which direction the police cars will come? One might, of course, design "the perfect crime" where radio would not help the least bit. The answer is that such crimes do not exist outside the "thrillers."

There is, unfortunately, no governmental calculus to determine with fine precision how small a city may profitably use such a system. Grosse Pointe Township, in the Detroit suburbs, with a population of approximately 20,000, is using radio and feels that it is a good investment. New applications are being received regularly by the federal radio commission and that body is anticipating a great extension of the system by setting aside eight channels in the short wave bands, outside the reach of ordinary broadcast receivers, for such services.

VALUABLE BUT NOT A PANACEA

For the benefit of those people who remain "doubting Thomases" on the plan, as well as for those who see it as a great panacea, it should be said that it is neither a failure nor a panacea. While it may serve somewhat as a deterrent to crime, it does not have its main value as such. No doubt it does serve this end to an extent, as shown by the following incident. Just before the installation of radio in Toledo, "Cadillac Joe," a local crook with a predilection for Cadillacs, was captured. On being questioned by detectives he voiced the best tribute to police radio which has ever come to my attention when he said, "I had intended to pull just one more job and then screw out of Toledo; this radio stuff just makes it too tough."

Since the installation in Toledo a number of advantages have been manifest. The most important one is the great saving in time necessary to respond to calls. Before its adoption, except on the most urgent calls where speed cars were sent from the central station or from one of the substations, scout cars called in to the dispatcher's office only once in every 30 minutes. Thus scout cars were not available for thirty minutes after they had called in and anything except minor complaints, which might wait until a scout car called in, necessitated the dispatching of a speed car. The scout car, or several of them if the complaint was on the edge of a district, might be cruising within a block and not know that they were needed. Scout cars now can give the public quick service, and no citizen likes to wait a half-hour for effective police protection; the speed cars in substations are not necessary and have been converted into scout cars, and one substation has been abandoned. All scout cars know everything they need to know since they get broadcasts of what is happening all over the city and are much better prepared to aid in apprehending law violators of all sorts, especially, auto thieves, hit-skip drivers and anyone wanted by the police who may be driving an auto. To put it shortly, every scout car is still a cruising scout car now, as before, until the dispatcher broadcasts an order when the car receiving the order immediately becomes a speed car. Then it has an advantage even over the speed car since it is cruising in the district and is not stationed at the central station or some substation.

TOLEDO'S SYSTEM—COST IS SMALL

Toledo's police broadcasting station WRDQ is located in the new Fire and Police Alarm Building and 16 cars have been equipped with radio receiving sets locked to the station wave length. A copper screen type aerial is concealed in the top of the Whippet sedans, which are used for scout cars, and the loud speaker is attached to the top at the side of the rear window. The dispatching room is located in the Fire and Police Alarm Building. The dispatchers now announce their orders before a microphone instead of phoning them as before.

The cost of the broadcasting equipment and the receiving sets was small. The station equipment was installed for $8,872.50 and the receiving sets were bought at $94.50 per set. The budget allowance for 1931 for the radio branch is $14,930. This includes all current operating expenses but about half of the salary items. It includes the superintendent of the radio branch who has charge of radio service and repairs. It includes three engineers who are paid patrolman's salaries. It does not include one engineer who is carried on the fire department payroll nor three service men who are carried on the police payroll. Supervision of the engineering and technical side of the service is under the superintendent of fire and police alarm. The salary item, if the entire cost were allocated to the radio branch, would be $15,930.

When a complaint is turned in to the police department the dispatcher takes the complaint and immediately broadcasts the order to all cars. He follows up by repeating the order once more. This is broadcast to the scout cars and is then announced twice more by the radio announcer from the radio room. If it is important the radio announcer will wait about two minutes and then broadcast the order twice more. The announcer then records the order—keeping a log of all orders and movements of the scout cars. The scout cars keep in touch with the radio operator by calling him in case they have not heard a broadcast in 15 minutes. The announcer broadcasts, as required by the federal radio commission, once every 15 minutes and this serves as a test of operation in case of dull periods when there are no orders broadcast. The men also phone in immediately after having responded to a call to notify the announcer of their whereabouts. The old practice of pulling boxes is thus made unnecessary and has been discarded for radio cars.

The report of the radio branch from the time of installation on November 8, 1930, to January 31, 1931, shows that there was broadcast a total of 8,076 messages. The cars made 2,826 runs on orders broadcast, of which 164 resulted in arrests. These 164 arrest runs resulted in 225 arrests and the average time elapsing between broadcasting and making the arrest on these arrest runs was 3 minutes and 43 seconds. The time on arrest runs is being steadily cut down. It averaged 4 minutes and 37 seconds during November, 3 minutes and 33 seconds during December and 3 minutes during January.

At the present time there are at maximum strength five cars on the 7 to 3 shift, nine on the 3 to 11 shift and nine on the 11 to 7 shift. These cars perform numerous other services such as serving warrants, performing traffic duty, taking care of special assignments which takes them out of radio service.

The average number of messages for each 24 hours during January was 86.19, or one each 16 minutes and 42 seconds. As a result of the broadcasting of these orders the average number of runs was 39.22 per day or one each 36 minutes and 40 seconds. Total arrest runs averaged 2.7 per day and total arrests averaged 3.8 per day. Not many, but quite important from a police standpoint. More important since probably many of them would not have been made without the aid of radio.

RESPECTED BY CRIMINALS

Probably the ultimate realistic test of the effectiveness of broadcasting radio messages to scout cars is the respect or disrespect in which it is held by the crooks, to whom police effectiveness or ineffectiveness means everything. On February 11 at 8:04 P.M. one Mrs. Blank, who worked in a downtown department store, returned home and after driving her car in the garage noticed that the cellar window was broken. Observing that the lights in the second floor were all burning and knowing that none of the family was at home, she went to a neighbor and phoned the police that there were prowlers in the house. Immediately the broadcast was made: "Scouts 7 and 8—Prowlers are in house at 1151 Shadowlawn Drive; Scouts 7 and 8—Prowlers are in house at 1151 Shadowlawn Drive." At 8:06 four patrolmen were there, armed with sawed off shotguns. The burglars, completely surprised, offered no resistance and surrendered immediately. The next morning while they were being "mugged" in the identification bureau, one of the prisoners was curious as to how the cars had arrived so quickly since they had been in the house only a short time. He was told that Mrs. Blank turned in the alarm when she saw the lights burning and the scout cars had been dispatched by radio. Disgustedly the prisoner said—"Oh, that damned radio."

Another quick call was made on the morning of February 14 at 4:11 A.M. This call was turned in by the Western Union through a special wire to the police department. Immediately the broadcast was made: "Scout 2—Go to 510 Adams street, burglar alarm of —— Jewelry Store on there." The car was cruising only a block or so away and arrived in time to catch a novice in the art of burglary who had broken the window with a paving brick and was busily scooping up the jewelry. This call was completed in 30 seconds and in about the same time that under the old system would have been needed to get there with a speed car he was resting in a special cell at the Safety Building.

The use of radio has been a very great aid to police work in Toledo, as it has been in every city where it has been used. It gives the maximum mobility in the handling of scout cars, puts them where they are needed the most quickly of any system yet devised. It eliminates the necessity of maintaining a large number of speed cars with idle crews in the police stations. It has some value as a deterrent and is very popular with citizens. Its uses and values are well summed up in the naïve comment of one of the denizens of Toledo's Lucas Alley, a negro section with a squalor and hopelessness all its own. After listening to police orders given over the district scout car radio, one of the colored brothers described, Andrew Brown fashion, the wide eyed, open mouthed wonder of the natives when he drawled out, "Well, ain't dat sumpin."

PUBLIC POWER AND THE PEOPLE OF NEBRASKA

BY LANE W. LANCASTER
University of Nebraska

The pros and cons of Nebraska's new power act designed to aid municipal electric light plants. :: :: :: :: :: :: ::

THE most hopeful friend of the "power trust" can scarcely find comfort in the results of the last general election. In nearly every state where public control of electric power was, or could be made, an issue, friends of the utilities were rebuked and their enemies boosted into power by the electorate.[1] In most states such contests as occurred between the public interest and the claims of the private companies turned on the question of regulation in some form or other. For in spite of its alleged breakdown, it is probably correct to say that the greater part of the country accepts some form of regulation as the starting-point for the development of a comprehensive public policy towards the industry. Only in isolated instances is it true that the issue is between public and private ownership in this field.[2]

One of these exceptional instances is found in the state of Nebraska where public ownership of power is widespread and where public opinion seems solidly behind municipal ownership and operation. In this state the last election was significant in that it brought about the adoption of a policy which may be of considerable importance to the development of public ownership through a large section of the middle west. It seems worth while to examine the status of municipal ownership in Nebraska resulting from the adoption of what was known locally as Initiated Bill No. 324 by the voters last November.

FEATURES OF BILL APPROVED BY VOTERS

The initiated bill adopted by the people provides for three things. In the first place, it permits cities and villages owning and operating generating plants, distribution systems or transmission lines, to extend such facilities outside the boundaries of the municipality "for such distance and over such territory within this state as may be deemed expedient" and to pay for such extensions only out of the net earnings or profits of such systems as may be involved. Second, in the future no sale or lease of a municipally-owned plant shall be valid unless authorized by a vote of sixty per cent of those voting on the proposition after four months' notice of the proposed sale or lease. In this same connection the law requires the filing with the state department of public works of detailed statements under oath containing data as to physical equipment, actual cost of construction and acquisition, rates charged and financial condition of the utility whose sale or lease is proposed. It is further provided that such statements shall be competent evidence in any future hearing involving a valuation of the plant for rate-making purposes. Lastly, the law limits the amount of money which may be spent by private persons or corporations to influence such a sale to one dollar per vote, based upon the total vote cast for governor at the last election.

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[1] See an interesting editorial, Utilities and the Election, in the *New York Times* for November 7, 1930.

[2] Boulder Dam and Muscle Shoals, if finally developed strictly under public auspices, would scarcely be exceptions to this statement since even doctrinaire believers in government ownership and operation of these enterprises look upon them as valuable at present largely as potential "regulators" of private enterprise through force of example. See W. E. Mosher and others, *Electrical Utilities*, Ch. VIII.

The full significance of these provisions cannot be grasped without dealing with the conditions in the state which called them forth. The quarrel with the private companies which culminated in the act turned not only on the doctrine of public ownership but also upon the demand of the rural population of the state for cheap power. Nebraska is almost a purely rural state. It has within its boundaries no coal, only negligible amounts of other minerals and scarcely any marketable timber. Manufacturing has had but a meagre development, large cities are few, and the chief wealth of the people is in the soil.[3]

Though its area is fifteen times that of Connecticut, the latter state has a population more than twenty per cent greater. Somewhat less than one-third of the population lives in cities or towns of over 2500 population; nearly one-half live in the open country and about one-fifth live in villages of less than 2500 population. The vast majority of the people live in the eastern third of the state and in the western part even villages are separated by vast distances. Under these circumstances private enterprise could scarcely be expected to enter the field without a guarantee of extremely high rates. As a matter of fact municipal ownership is now established in one form or other in more than one-third of the incorporated cities and villages in the state. Of the approximately 535 municipalities 199 now own their own electrical utilities. Of this number 65 now own and operate both generating plants and distributing systems; the others own their distributing systems and transmission lines and buy current either from private power companies or other municipalities.[4] Most of these plants are owned by towns of less than a thousand population and the total power generated by them is only twelve per cent of the total in the state.

PROFITS OF MUNICIPAL PLANTS

But the importance of the municipally-owned plants is not to be measured by such standards. In many cases they turn into the town or village treasury a handsome "profit" which is used for general municipal improvements.[5] It is also true that in many towns the local power plant is a focal point of community interest and pride, in this respect realizing some of the "beneficent social repercussions" of which George Bernard Shaw once spoke.

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[3] Such water power as might be developed could not, in the opinion of engineers, meet more than eight or ten per cent of the present demand for power.

[4] These figures are as of November 10, 1930. Only one town operates a hydro plant.

[5] In some instances it is probably true that these "profits" would disappear if sound accounting procedure were followed.

Most important of all, however, is the fact that a publicly-owned plant is a concrete argument for public ownership as a dogma. The people of the state, by and large, are convinced at present that the safest policy is that of keeping local plants in their own hands. The old Populist feeling which three times sent the "boy orator of the Platte" to fight the battles of the "plain people" has by no means died out. That it is still a potent force is evidenced not only in the ramshackle structure of the state government but in the popularity of the current battle against the "interests." Nebraska's representatives in the United States senate are both champions of public ownership and avowed enemies of the "power trust" and, in the case of Senator Norris at least, an admiring electorate returns him to office in spite of a shameless "irregularity" and a cavalier aloofness from his titular party connection.[6]

RURAL ELECTRIFICATION AN ISSUE

During the past fifteen years one of the most important issues in local politics has been rural electrification. Private companies could meet this need for extensions only by making large outlays which could be paid for only by heavy initial expenditures by customers and the payment of high rates.[7] Had the law permitted it, publicly-owned plants might have served this class of consumers, in part at least, by extending their lines into the surrounding neighborhood. This solution of the problem made a powerful appeal in many quarters in view of the popular conviction as to the merits of public ownership and the deep-seated distrust of farmers and villagers for the "interests." But under the law, cities and villages were forbidden to extend their lines beyond their boundaries.[8] There was no such limitation upon the freedom of the private companies. Their chief problem was to secure customers at necessarily high rates. In these circumstances it is not surprising to find that innumerable episodes in municipal history during the past few years have arisen out of the attempts of private companies to secure a strategic advantage over the municipal plants. These struggles were marked by many campaigns to buy public plants, by minor rate wars, and by taxpayers' suits to hamper expansion by municipal plants.

EFFORTS TO ELIMINATE PUBLIC PLANTS

The local newspapers for several years past report many instances of flattering offers made by the power companies for local plants. In some cases sums were offered several times in excess of the actual value of the investment in the plant and bonuses were by no means unknown. For example, in one case a town received $40,000 and a fire truck worth $4,000 for a distribution system worth $16,000; another town $3,500 and an electrolier system for a plant worth $8,500; a third $110,000 for a system worth $35,000.[9]

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[6] Senator Howell's reputation in the state rests largely upon his work as chief engineer and general manager of the Metropolitan Utilities District of Omaha in the creation and development of which he took the leading part twenty-five years ago.

[7] During the past five years private companies have spent more than a million dollars in building rural transmission lines which are now serving in the neighborhood of 3500 customers. Of some fifteen hundred place names in the state 567 were, in November 1930, receiving service.

[8] Sec. 4128, Comp. Stats. Neb., 1922.

[9] See editorial from *Hastings Tribune* for February 28, 1930 reprinted in the *Nebraska Municipal Review* for March 1930.

While such sales were not always consummated it remains true that there has been a definite reduction within the past few years in the number of publicly-owned plants. It has not always been easy for the local council and electorate to refuse offers which left the community free of debt and in possession of handsome improvements paid for out of the proceeds of such a sale. The sale price undoubtedly becomes a part of the rate base but this fact does not seem often to have figured in the calculations of the local authorities.[10]

In a few instances the private companies tried to put the municipal plants out of business by cutting rates below the cost of service. This was stopped by the Supreme Court of the state in 1929 in a decision which sustained as to electricity a statute making illegal commodity price-cutting as between districts.[11]

In other places resourceful companies tried by taxpayers' suits to enjoin publicly-owned plants from paying for needed improvements by a pledge of their future earnings. This is a favorite mode of financing in small places since it avoids the laying of additional taxes or the creation of a bonded debt neither of which means is popular with the voters. This mode of paying for improvements was approved by the Supreme Court in an opinion which held that cities and villages were not restricted to taxation or borrowing in such cases. However, the effect of this judgment would seem to be less extensive than it seems at first glance. In the opinion of lawyers it simply held that the power to own and operate a power plant carries with it by implication the power to keep such plant in working order by pledging earnings for *replacements* but it does not confer power to *add to* the plant by such a mode of financing.[12]

Besides these specific examples of the tactics of the private power in extending their influence in competition with municipal plants they were engaged in the familiar propaganda, both open and covert, with which recent investigations have made us familiar.[13] Local "fights" were entered into through the instrumentality of taxpayers' leagues, farmers were appealed to for support against public ownership on the ground that state taxes would be increased if the number of untaxed municipal plants increased, and the usual "campaign of education" was carried on through various channels.

FARMER HOSTILE TO "POWER TRUST"

So far as the farmer was concerned, the net effect of these excursions and alarms was to leave him incensed against the "power trust," but without the cheap light and power which he considered his due. It occurred to the rural inhabitants that a special public corporation might be the solution of their difficulties. One such corporation was organized in 1923 under a statute allowing the formation of rural electric districts[14] but after a few months of operation was declared void by the Supreme Court on the ground that the manner of its creation violated the implied constitutional prohibition against the delegation of legislative power.[15] Curative statutes enacted in 1925 and 1927 were likewise outlawed by the court.[16]

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[10] Rates are at present set by contract between the municipality and the private company. The railway commission has no rate-making powers over electrical utilities and attempts to confer such powers have uniformly failed. Generally speaking, there is no public belief in commission regulation and the commission itself in recent years has not enjoyed wide public confidence.

[11] Secs. 3432–3436, Comp. Stats. Neb., 1922; State ex rel Spillman v. Interstate Power Co. et al, 226 N.W. 427 (1929).

[12] Carr v. Fenstermacher, 228 N. W. 114 (1929).

[13] See Part 11 of the Federal Trade Commission's investigation of Utility Corporations, 1929, in response to Senate Resolution No. 83, 70th Congress, First session, Document No. 92, where the Nebraska situation is specifically dealt with.

[14] Secs. 7147–7154, Comp. Stats. Neb., 1922, Ch. 169, S. L. 1923.

At this point it is necessary to discuss the work of the League of Nebraska Municipalities in furthering the program of municipal ownership embodied in the initiated measure of 1930. When the annual convention of the League met in 1928 the state of the law was such as to make it difficult, if not impossible, for municipalities to compete with private companies in serving rural districts. Except for necessary replacements of plant it was probably illegal to make extensions by the pledge of earnings; special corporations outside the limits of cities and villages had been outlawed by the courts; and the potential feeders for municipal systems were being bought up by private interests.

The League of Municipalities has been in existence for more than twenty years and has in recent years shown a slow but steady growth. The personnel has favored public ownership as a matter of principle or at any rate has believed firmly in the virtue of public competition as a regulating device. League members feared that the expansion of the properties in the hands of private interests would gradually squeeze out municipal plants and end in the domination of the field by the private companies. The only remedy seemed to be to remove by law the disabilities under which municipal plants labored and make their expansion possible under easier terms. To this end the League's Legislative Committee prepared a series of bills for the 1929 legislature providing for the extension of local distributing systems beyond the municipal boundaries, financing such extensions out of earnings, making it possible to sell public plants only after popular approval, and providing for the organization of electric utility districts in the open country.[17]

RESORT TO THE INITIATIVE

Though this program had behind it the League of Municipalities, the League of Women Voters and various organizations representing labor and the farmers (to say nothing of certain manufacturers of Diesel engines) it failed of passage in the lower house, only one bill being passed and that in such a form as to be unacceptable to the League membership. The proponents of the measures decided to invoke the initiative. To that end an organization, known as the Peoples' Light and Power Association, was formed under the auspices of the League of Municipalities. A carefully drawn bill prepared by the attorney-general who acted as chairman of the Light and Power Association was placed on the ballot by petition of some fifty-five thousand voters. Competing bills, prepared presumably by the private companies, and in one case almost duplicating the language of the first bill, but adding a "joker," were also on the ballot but were badly defeated at the election.

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[15] Elliott v. Wille, 200 N. W. 347 (1924).

[16] Ch. 89, S. L. 1925; Ch. 106, S. L. 1927; Swanson v. Dolezal, 208 N. W. 639 (1926); Anderson v. Lehmkuhl, 229 N. W. 773 (1930); see also note in the *Nebraska Law Bulletin* for November 1930. The decision in Anderson v. Lehmkuhl invalidated a $30,000 bond issue sold by the district. This decision, by denying to the state legislature the power to cure defects in the original statute under which the district was organized, seems directly against the weight of authority. See Browning v. Hooper, 269 U. S. 396 (1926).

[17] A summary of these bills is printed in the *Nebraska Municipal Review* for October 1928.

SIGNIFICANCE OF NEW LAW

It is difficult to estimate the importance of the new law. That it is a public ownership measure pure and simple is evident on its face. This is demonstrated by a reading of the provisions regarding the sale of plants to private companies and the restrictions placed upon the use of money to influence such sales. The requirement that four months' notice of such sale be given makes it certain that the friends of public ownership will have plenty of time to perfect their campaign and, in the present state of public opinion, it is difficult to see how they could fail to carry their point. Without entering into any discussion of the merits of public ownership it seems to the writer that the almost absolute imposition of this policy upon those cities and villages now owning their plants may have unfortunate effects in many cases. Most of these communities are quite small and find continued operation possible only at high rates.[18] It is difficult to see how, in view of the sparse population in many parts of the state, the extension of lines into the country could so increase the number of customers as to permit lower rates and more economical management.

Though in many cases the ownership of a power plant is the object of much civic enthusiasm this community asset may, as time goes on, be purchased at a high price. On the other hand, the new law will permit the expansion of several plants in the large towns of the state and there is a possibility that by interconnections between municipal plants and transmission lines owned by utility districts considerable areas in the more thickly populated parts of the state may in the future be served by publicly-owned systems. The generating plants in these towns are at present well-managed and there is no reason for doubting that, with reasonably careful planning, their future expansion will be successfully carried out.

Assuming only a very moderate use of the powers conferred by the new law a considerable extension of public ownership in the state seems assured. Accepting this as a possibility certain suggestions may be made as to future public policy. In order that a sound judgment may be made as to the relative success of public and private operation it would seem advisable to give to the railway commission power to prescribe uniform accounting procedure for municipal systems and to require periodic reports from cities and villages operating plants. It would also not be out of place to require that local agreements between municipalities and private companies be made matters of public record with either the railway commission or some other appropriate central authority.

In general, it must be said that the people of the state have approached the problem of the relations between government and business with too little authentic information and with far too much of the lyrical prejudice and hatred of the dour nineties. If the question of power is to be viewed, as it should be, as one of sound adminis-

[18] There is obviously no space here for a statement of the rather complicated calculations needed to prove this point but the complete schedule of rates before me shows in almost all cases of towns under 1000 population extremely high rates in comparison with those in the larger cities. For example, Alexandria, with a population of 432, charges a minimum of $1.25, allows no discount for prompt payment and makes the following charges for current used: for the first 20 k.w.h. 15 cents, for the next 40 k.w.h. 13 cents, for all beyond 60 k.w.h. 9 cents. This is typical. In a good many cases there are higher minimum charges and considerably higher rates for current consumed.

tration and not one of political sharpshooting, a basis for judgment should be laid in the accumulation of facts. In securing such a basis the state government has been woefully remiss. Only by its active interest in finding what really goes on in both private and public business can the question of power be rescued from the present atmosphere of dogma and prejudice.

MUNICIPAL AID FOR THE UNEMPLOYED

BY WALTER C. HURLBURT

Rutgers University

Frequency of economic depressions and the economy of decentralized administration dictate that municipalities create permanent organizations for the extension of aid to the unemployed. :: :: ::

Economic depression is a chronic ailment of industrial society. Since 1870, for example, more than twenty years of depression have accompanied the rapid industrial and commercial expansion of the United States.[1] Despite this fact, the average municipality remains unprepared for the task of alleviating the human suffering which inevitably arises from such maladjustments.

The reasons are not difficult to fathom. First, we possess the unhappy faculty of forgetting an economic unpleasantness almost as soon as it ceases to exist. For example, the depression of 1920–1921 gave birth to numerous plans for placing municipal aid for the unemployed on a permanent basis, but with the trade revival of 1922 public interest immediately turned elsewhere. Secondly, we are afflicted with the vicious habit of shifting social responsibility to other groups or organizations. Needless to say, the plight of the unemployed is intensified when municipalities await state and federal aid while state and federal authorities stand by awaiting municipal action.

CINCINNATI PLAN COPIED TOO LATE

Regardless of the position state and federal authorities choose to take, the municipality is not in a position to waive the responsibility of aiding the unemployed. Statistics of unemployment for the nation at large may not arouse a community, but suffering which occurs close at hand and which must be observed eventually results in action. Thus, late in 1930, after the unemployment situation had become acute, a number of municipalities attempted to put a modification of the "Cincinnati Plan" for unemployment relief into immediate effect. The "Cincinnati Plan," in brief, attempts to coördinate the activities of the various groups engaged in unemployment relief work, obtain adequate and reliable statistics of unemployment, secure continuous employment through coöperation with employers and create as many temporary jobs as possible.[2] Adopted in the early months of 1929, the "Cincinnati Plan" has been attended with a considerable degree of success in Cincinnati. There is, however, considerable doubt as to the effectiveness with which the plan is functioning in municipalities which hastily adopted it nearly eighteen months later.

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[1] See *Business Annals*, National Bureau of Economic Research, New York City.

[2] For a detailed description of the "Cincinnati Plan" in action, see "How Cincinnati Met the Unemployment Crisis" by C. O. Sherrill and F. K. Hoehler, National Municipal Review, May, 1930. For a critical evaluation of results, see "An Appraisal of Cincinnati's Efforts to

New York City, for example, made a gallant attempt to put the essentials of the "Cincinnati Plan" into immediate operation. The police force undertook a census of the unemployed; the Central Committee attempted to coördinate the activities of the various relief agencies, and praiseworthy efforts have been made to create temporary jobs. Yet a certain degree of friction has hampered the efforts. The Mayor's Committee for Unemployment Relief has not seen fit to coöperate with the Central Committee, and a degree of duplication of effort has resulted. At times the organization for the distribution of food and clothing to the destitute has all but broken down, and at times a lack of planning has led to conspicuous waste. For example, statistics of recent date indicate a faulty allocation of relief funds between "breadliners" and single women and families. Provision for single women and families has been inadequate, whereas a portion of the funds devoted to breadlines has been wasted.

The "Cincinnati Plan" must register, of necessity, a partial failure in municipalities which adopted it at the last hour. For the essence of the plan involves careful planning *in advance* of economic depression.

PERMANENT ORGANIZATION NEEDED

The present situation is typical of the past. Fly-by-night municipal organizations for the relief of the unemployed have always been formed at the bottom of each wave of depression, only to be disbanded with the first signs of renewed prosperity. Such sporadic efforts, although relieving much human suffering, cannot be viewed as preventative checks. The problem of unemployment relief cannot be solved until permanent organization is achieved.

At the present time, the need for the foundation of municipal unemployment organizations, designed to function continuously, is even greater than formerly. If the past is a guide, prosperity will return but depression will follow. For despite patient research and a substantial accumulation of statistics, our knowledge of the ultimate causes of the cyclical fluctuations of business activity is pitifully meager. Consequently, the possibility for immediate control of the purely cyclical swings of business activity is slight. In addition, seasonal fluctuations of business activity are always present. The causes here are obvious, but a workable remedy for the situation is not at hand.

During recent years, cyclical and seasonal unemployment has been accompanied by widespread technological unemployment. The rapid introduction of new and more efficient machinery, changes in industrial processes, the growth of scientific management, and other dynamic changes have all conspired to create a permanent surplus of workers over jobs. Many competent observers are of the opinion that the aggregate amount of unemployment due to technological causes is due to increase steadily during the present decade.

An ultimate solution of the problems raised by the various types of unemployment will require coöperation and effort on the part of business and labor

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Meet Unemployment" by C. A. Dykstra and F. K. Hoehler, NATIONAL MUNICIPAL REVIEW, November, 1930.

leaders, and, in addition, certain broad changes in social policy. But whatever changes in industrial organization and social policy are ultimately made, no one can question the need for the immediate creation of permanent municipal machinery for the application of unemployment relief.

DECENTRALIZATION NECESSARY

It is evident that the municipality holds the key position in any plan which aims effectively to combat unemployment evils. Business conditions, the character of the unemployment, and the type of aid required vary from locality to locality. Since conditions vary, close association is essential to obtaining the intimate knowledge requisite to handling a specific unemployment situation with success.

In theory, of course, federal or state agencies for unemployment relief can be set up within each of the larger municipalities. Such a step, however, would be exceedingly costly and cumbersome. The direction of unemployment relief agencies from Washington, or even state capitals, would result in red tape, a constant shifting of personnel, loss of efficiency, rising costs, and a multitude of other evils arising from over-centralization. With the exception of building programs, state and federal agencies for unemployment relief can best be designed to act as clearing houses for municipal organizations.

The alternative to the costly and cumbersome centralized mode of administering unemployment aid is that every thickly populated municipality provide itself with its own unemployment organization. Then, in times of emergency, federal or state aid can, if needed and available, be applied quickly through local agencies. The majority of the proposals for the extension of federal aid which have been advanced during the present crisis can be condemned out of hand. There exist today no channels through which federal aid can flow in times of economic stress.[3]

ORGANIZATION ESSENTIAL TO SUCCESS

A municipality's size, the character of its population, the nature of its industries, and numerous other factors must dictate the type of unemployment organization needed. But whether the municipality be large or small, industrial or non-industrial, organization is essential to success. If suffering is to be minimized during the next economic depression, it is imperative that thickly populated municipalities take the following steps:

(1) *The creation of a municipal employment exchange.*[4] Keeping in touch with local employers throughout prosperity and depression, a municipal employment exchange would be in a position to give full publicity to its findings. State exchanges might function as clearing houses for municipal exchanges, and the proposed national exchanges as clearing houses for state exchanges. A well-integrated system of employment exchanges might well be evolved.

In the past, relatively few municipalities have shouldered the responsibility of providing jobs for their unemployed. As a result, the states have undertaken the work—often with indifferent success.[5] However, the success of the Seattle municipal exchange affords ample precedent for municipalities having the will to experiment in new fields. In 1917, the Seattle office filled 75,593 positions at a per capita cost of ten cents, and in 1919, 55,305 positions at a per capita cost of nineteen cents.

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[3] Private organizations excepted. But the facilities provided by the Red Cross, Salvation Army and similar organizations are inadequate, and, in the main, suitable for extending direct aid only. Municipalities, on the other hand, are in a position to institute "make work" programs, thus avoiding the "dole issue."

[4] Since state labor exchanges exist in approximately 185 municipalities of the United States, the need for municipal exchanges in these centers may not seem obvious. However, the Ohio system of city-state exchanges appears to be more efficient than state exchanges as such, indicating that municipal coöperation is to be desired.

(2) *The creation of an unemployment relief bureau.* This bureau, a permanent body as in Cincinnati, would attempt to coördinate the activities of all existing relief agencies and provide an outlet through which aid from all sources might flow. During periods of prosperity the bureau might be reduced to a skeleton form, capable of attaining full strength at the approach of depression.

(3) *The creation of a bureau of unemployment statistics.* This bureau, composed of adequately paid specialists, would collect, interpret, and record statistical data bearing on unemployment, municipal building programs, existing facilities for caring for the unemployed and allied matters. Close contact could be maintained with the more accredited statistical organizations which attempt to forecast the economic future in order that forecasts be supplied to municipal authorities and to all existing unemployment agencies.

THE PROBLEM OF COSTS

Objections are frequently raised against the extension of municipal activities to the realm of unemployment relief work. It is said that costs are heavy and should be borne by the state and federal governments. While it is true that the costs incident to unemployment relief during a period of depression are heavy, it can be said in reply that far heavier costs will be entailed if industrial society fails to meet the challenge of the unemployed.

The statement that the cost of unemployment relief is the rightful burden of the state and federal governments is worthy of consideration. It is obvious that the municipality should not be asked to shoulder the entire burden of unemployment relief during economic depression. The funds which municipalities disburse are derived, in the main, from a property tax which bears heavily on the low income groups of the community. On the other hand, state and federal governments, by the taxation of unearned increments and luxury goods, are in a position to confine a levy almost exclusively to those with a high ability to pay. Thus, from the fiscal point of view, state and federal governments ought to absorb a considerable portion of the cost of unemployment relief during economic depression.

During periods of prosperity, the cost of organizing for unemployment relief will not burden the larger municipalities unduly. Municipal labor exchanges can be made self-supporting, while the experience of Cincinnati indicates that non-pecuniary incentives are strong enough to ensure the services of capable men for the task of coördinating relief work. A statistical bureau can be maintained by a relatively small expenditure.

The economic gains arising from the creation of permanent municipal unemployment organizations cannot fail to exceed the costs involved. For the municipality, through the economies in administration which it alone is in a position to achieve, can substantially reduce the net cost of that minimum of assistance, which must be extended to the unemployed in times of economic stress.

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[5] Commons and Andrews in "Principles of Labor Legislation" attempt to account for the failure of state employment exchanges on the grounds of mediocre management and inadequate appropriations.

FOUR YEARS OF SOCIALISM IN READING, PENNSYLVANIA

BY HENRY G. HODGES, PH.D.
Reading, Pennsylvania

The Socialist party has had complete control of the municipal government of Reading, Pennsylvania, since 1928. In a careful analysis of their administration Dr. Hodges finds city officials of all parties are pretty much alike. :: :: :: :: :: :: :: ::

THE Reading Socialists, shall we call them, "came into power" with the inauguration of three of the five commissioners, in January, 1928. The city has a commission form of government, with five commissioners, one of whom is elected mayor. Their term is four years. The commission was made *continuous* in the beginning by having three of its members elected for four years and two for two years. In November, 1929, Socialists were elected to the other two positions on the commission. At the same time the Socialists captured four of the nine positions on the school board.

What were the conditions inside and outside the party that made the victory possible in the fall of 1927? Why was it repeated in 1929? And what shall we prophesy for the fall of 1931, when the original three return to the voters to receive their reward?

Reading has over 31,000 properties on the assessment list, and must surely have 45,000 to 50,000 eligible voters. In 1924, which was a presidential year, the total registration was about 28,000. In each of the two succeeding years the registration dropped to 20,000, and we were not due for another rise until 1928. However, in 1927 the registered vote jumped to 27,314. There is only one conclusion to draw. Seven thousand voters were aroused ahead of time, and it is fair to conclude that those same things which aroused the 7,000 prematurely, influenced a large number of regular voters to change their voting allegiance.

The Socialist vote has been, for a number of years, many times the Socialist registration. The answer used to be that Socialists were registering in the old parties to help nominate the weak candidates, since there never were any decisions to be made at their own primaries. Recent events, however, would indicate that there never has been much to this contention. In 1927, for instance, the Republican election vote was double the primary vote. The Socialist figures show an even greater apathy at the primaries, for there is never a contest there. In 1927 the Socialist registration was 1,238, but only 374 of these voted at the primaries of that year.

DEMOCRATS AND REPUBLICANS GO SOCIALIST

The story that the figures tell in unmistakable clarity is that in 1927, thousands of registered Democrats and

Republicans voted for the Socialist candidates. That year, with a Socialist registration of 1,238, their candidate for mayor received 12,365 votes at the election. The Republicans registered 12,784 and their candidate for mayor received 10,957 votes. The Democrats registered 12,221, but only 5,256 voted for their own mayoralty candidate. If we may draw conclusions from these figures, they must be that the Independents and the Democrats elected the Socialists, with the help of about 2,000 Republican votes and only 1,238 registered Socialist votes.

Why did so many Democrats revolt? Probably because their officeholders had control of the city commission at the time, and the discontent was aimed chiefly at the party in control.

The assertion that no one was more surprised than the Socialists themselves at the victory of 1927, has never been controverted by their leaders. Their chief organ, *The Labor Advocate,* had predicted victory, but it had done the same before. That's politics.

At a symposium on Socialism in New York several weeks ago, Clarence Darrow said, "We have more Socialists now because we have more empty bellies." That may be true where Socialists are not in political power, but the direct opposite may be true here in Reading. Certainly we had very few empty bellies in the fall of 1927. I would venture the assertion that we had more Socialist voters in Reading, under favorable conditions of nourishment in 1927 than we have right now in this empty-bellied era. But this is merely an important exception to Darrow's observation. The remark at that meeting that comes into play in our case is that of Arthur G. Hayes, who gave as the reason for lack of progress in the Socialist Party its failure to obtain the support of labor. No doubt the idea expressed in his conclusion helps explain the victory in Reading, where organized labor is Socialistic.

LABOR AND SOCIALISM IN ALLIANCE

It is a question whether the Socialists obtained the support of labor, or whether organized labor wanted to enter the political arena and saved time by adopting the local Socialist party. The facts closely resemble the story of the hen and the egg, and by the same token that it is impossible to tell which adopted which, it is easy to conclude that the two groups are one, locally. *The Labor Advocate* is *the* Socialist weekly newspaper. This same paper, a number of years back, was used for a time as a propaganda sheet for one wing of the local Democratic Party. The Socialist Party meets at the Labor Lyceum. When the Lyceum welcomes the party and the party adopts the labor paper, which is the dominating factor? Probably the leaders in the Socialist party—those now on the public payroll—would save their last shout for labor rather than for socialism, if they had to choose. James Maurer, a member of the commission, was for years leader of the state organization of labor. His own confession is that he "has given his life for labor." Our mayor, according to a headline of *The Labor Advocate* (October 2, 1928) has been "Pinched for Picketing." Mayor Stump was also, prior to his election, business manager of this paper, and president of the local Federated Trades Council. Commissioner Jesse George was for years walking delegate of the local plumbers union. All appeals to Socialists are made at the same time to labor.

Yet in spite of this alliance in which the two wings plead each other's causes, Mayor Stump, the now recognized leader of the socialists in Reading, offers no suggestion in the questionnaire which *The Nation* recently sent to mayors of American cities on unemployment. The mayor reported the local situation as he found it, but risked no opinions for betterment.

THE "WHY" OF THE DRIFT TO THE SOCIALISTS

Now for the *why* of those 7,000 disgusted Democrats, 2,000 deserting Republicans, and the 2,000 Socialist-Independents, who added their 11,000 votes to the "Socialists Own" 1,200 votes, to make that Socialist total of 12,365 given to Mayor Stump in 1927.

We have two dailies of general circulation. Neither is a party paper. One has no editorials; while the other has constituted itself, in no uncertain way, the watchdog of everyone holding public office. However, since this is a discourse on Reading Socialists we turn to their weekly paper—*The Labor Advocate*—for news of what was wrong in Reading prior to November 1927. This paper does not have a large circulation, but is read more widely than its circulation would indicate. In addition, summaries of its propaganda were printed in pamphlet form from time to time and broadcast by door-to-door distribution. The editor told me frankly that the *Advocate* was not a newspaper, but a propaganda medium—and he was quite right.

During the three years (1925–1928) there are scores of subjects criticized adversely by *The Labor Advocate*. But it is easy to pick out those that are constantly recurring, as well as to classify the order of their recognized importance. These are the things the Socialists preached about:

1. Real estate assessments
2. Bond issues
3. The old parties
4. Contractor street cleaning
5. The Maidencreek reservoir
6. Increase in commissioners' salaries

The first two attracted 90 per cent of the Socialists' attention, and the real estate assessments demanded by far the lion's share of that 90 per cent. The question of assessments was discussed everywhere by everyone. If the city had had a parliamentary form of government, the administration would have fallen in the latter part of 1925. Assessments have become a fetish in the popular mind, and a brief historical survey would seem to suggest that anything like general satisfaction is impossible.

THE ASSESSMENT CONTROVERSY

Prior to 1924 there was general public discussion of a 100 per cent assessment and a tax rate sufficient to balance the budget. The accepted percentage had been 60 per cent of the market value. The Democrats went into control in January, 1924, and one of the things the administration determined on was not only *another* assessment, but a *different* assessment. The name of the new assessor was Duval and his handiwork, brought out in the fall of 1925, was known as the First Duval Assessment. A veritable storm of protest swept over the city. When the commission sat as the board of revision and appeal the room would not hold a fraction of the complainants who attended the first meeting. The appeal board listened to a few complaints and within half an hour voted to throw out the entire new assessment. The action happened so quickly that to this day no one seems to know what was wrong, or why. One thing was clear enough—the assessment was extremely unpopular. Whether it was too high, too low, or unequal, could not be learned from those interested at the time.

With this ominous revelation of unpopularity, Duval made his second assessment in 1926. This also seemed to be a target for general attack, chiefly on the theory that it was impossible for Duval to make an acceptable assessment. There were 4,800 appeals on the 31,500 properties assessed. It was complained that the figures were too high and not balanced. The appeal settlements were made by the board and the courts during the early part of 1927. The fight continued throughout the year.

Soon after the Socialists came into power early in 1928, they promised a "scientific assessment." Deploring the $15,000 wasted on the First Duval Assessment, they contracted with the Manufacturers' Appraisal Company to assist the new Socialist city assessor, at a cost of $75,000. The Somers Plan was used and unit land values fixed after numerous public meetings. Things certainly looked rosy. The real estate men, "who always want high realty values" stayed out of the picture, and the "common people" came in. The result was relatively higher values on all central real estate and lower appraisements on the small homes away from the center of the city. The Socialists were representing the "working man" with a vengeance, but it was scientific and done by an outside concern. There were 1,663 appeals to the Socialist commission sitting as a board of appeals, and 112 appeals to the court. Practically all of the court appeals were on central property, and after one of the cases had a good start on trial the others were adjusted down by the Socialist assessor. The adjustments, together with those of the appeal board, resulted in an assessment which everyone agreed was about the same as the Second Duval Assessment, except that it had cost $75,000. In addition no one was satisfied—not even the commission.

ASSESSMENTS FAIL TO DROP

When the 1930 assessment was started by the Socialist fathers, everyone looked for reduced figures commensurate with fallen property values. But the new assessment figures were practically the same. Another army of protestants was halted on the first day by the announcement that whereas the former basis of assessment had been 60 per cent of the market value, the 1930 basis was 100 per cent. In other words the commission admitted and declared that all real estate in the city had depreciated 40 per cent. Appeals were withdrawn in large numbers as there was no answer to this hastily and cleverly constructed "way out" by the Socialists. No one was ready to ask for a lower assessment by asserting that his depreciation was greater than 40 per cent.

However, a considerable number of appeals are before the court at the present time—the argument being that the assessments are not 100 per cent as the commission contends, and furthermore that there are numerous inequalities. The city's own witnesses could not testify to 100 per cent valuations and after several days spent on one case the court ordered an adjournment and suggested that the city make adjustments. This the city has refused to do and the cases will continue in court. The end is not in sight, but the public feels that those who appealed to the courts will get relief, and draws the conclusion that those who did not appeal are being discriminated against.

"BONDS MEAN BONDAGE"

"Bonds Mean Bondage." Over and over again the *Advocate* told it to the dear people. In September, 1925: "Today the old gangs are planning another city bond issue which will more than double the cost of contemplated improvements." The reference is to the interest charges on bonds. The same month: "Here in Reading the old political gangs don't believe in doing anything without paying tribute to the bankers."

It was pointed out on numerous occasions that the interest on long term issues equaled the principal, doubling the cost of the improvement. And the promise was repeatedly made that Socialists in the city government would prevent this robbery of the public chest and "pay as you go."

The answer is short and easy. The city of Reading, after three years of Socialist control owes more than it ever did. About half of the city's bonded indebtedness was incurred by the present administration. The total of bonds floated by the Socialists is $2,700,000, and the total bonded debt is $5,569,000. Whereas, the *Advocate* formerly pointed out that the bonus offered for the city's bonds proved the graft for the bankers, they now point with pride to that same bonus declaring that it proves the confidence of the bankers in Socialistic government.

THE OLD PARTIES

The old régimes offered a ripe field for the Socialists in their campaign speeches and pamphlets. "Our opponents have furnished us with the arguments against them. All that will be necessary is for us to refresh the memories of the voters and they will agree to the changes necessary." The Republican party had for years been under the domination of the county chairman. His methods multiplied his enemies over a period of years, and his political mistakes were used as capital by the Socialists, in addition to the errors, or anything that seemed like errors, of those Republicans elected to the city offices.

At the time the Socialists made their first successful drive, the Democrats were in the majority on the city commission. But the Democrats had also established a virtual hierarchy in the county offices, and those offices were located in Reading, the county seat. Deserving Democrats, with nothing to recommend them except that they needed the jobs, were shifted from one office to another as the different elections rolled around. While the Republicans had a one man rule to whom all paid tribute in some form, and who held a state job, in addition, as a reward for his political valor, the committee which controlled the destinies of the Democrats, controlled them for their own purposes exclusively. They decided among themselves from year to year which of their number should serve the public and in what capacity. The one was as bad as the other, and the results of the election proved that the public was disgusted with both.

CONTRACTOR STREET CLEANING

A certain contractor who was also a member of the legislature had secured from year to year the job of cleaning the streets and the catch basins. Of course there was competitive bidding for the job, but the man on the ground with his equipment already paid for, had a decided advantage over newcomers. And sometimes there was little competition. From time immemorial a good case could be worked up against any contractor doing city work who also held a public office. And this one was no exception.

THE MAIDENCREEK RESERVOIR

A large impounding water reservoir was started during the prior Democratic administration. This project was supposed to protect the city's water supply and needs for the next twenty-five or fifty years. Some claimed there was need for it; and some denied those claims most emphatically. The operation involved the purchase of large tracts of land to be flooded by the new dam. The Socialists through their paper, and otherwise, were most bitter in their denunciation of the new undertaking, claiming that it was not needed at the time, and furnished only one more opportunity for saddling the city with debt. A bond issue to provide for some of the land purchases was turned down, and the commission found a way out by borrowing on the city's legal capacity, without the consent of the people. The project was pushed almost to completion by the time the Socialists came into office. The commissioner of the water bureau had direct charge of the work, and he was singled out by the Socialists as the moving cause for the Big Ditch, to which they prefixed his name in derision. This idea no doubt served a purpose in lining up a number of votes for the 1927 campaign. However, during the summer of 1928 the huge project was finished and dedicated by the new Socialist administration with the waving of flags and speeches by their leaders. The new Socialist commissioner in his speech went so far as to explain that if he had misgivings about the wonderful reservoir in the past he was ready to admit his error, and hoped all would join in the appreciation of this new thing the city was adding to its list of achievements that day. When the dry days of 1930 required other cities to issue warnings about waste of the water supply, the spokesman for the party, who is also a member of the commission, shouted from the house-tops that citizens should use all the water they cared to and plenty would remain, thanks to the enormous impounding reservoir which the Socialists had—dedicated.

COMMISSIONERS RAISE THEIR OWN SALARIES

Sometime in 1925 the commission voted to increase all salaries of future commissioners. Under the law the increase could not benefit any of those serving at the time. The subject was susceptible to innuendo, which was taken advantage of to the limit. As it happened one of the commissioners was reëlected and he, of course, benefited by the increase which he had voted. There has been no move by the Socialists since 1927 to put back the salaries to their old levels.

LITTLE ATTENTION TO SOCIALISM'S ECONOMIC PROGRAM

It is not a secret that the Socialist Party is operated and controlled by its caucus which consists of the paid party members, of whom, I am told by the editor of the *Advocate*, there have never been so many as one hundred. Of this entire group not more than twenty-five determine party affairs, and it is probably safe to say that five or six of these really control. What did this group, as spokesmen for their party, promise before 1927? We must admit that their promises were not predicated on any realization of their approaching success. The economic program of Socialism cannot be carried out to any great extent in a single city, and this fact is constantly called to the fore when a quick and satisfying defence is needed on major questions. Public ownership of the utilities should be one of their chief aims. In some "Reflections" by the editor, in 1925, it was promised that the police powers would be used for the protection of the workers on strike; sane assessments would lessen the burden of the workers and require business firms and corporations to pay a larger share of the public expenses; municipal coal and wood yards and market houses would be provided; and traffic laws administered without favor.

From my office located on a busy corner there is almost daily evidence that this last and least important promise has little foundation in actual administration. We have not heard, in three years, of any coal or wood yards, or market houses, being contemplated, much less accomplished. The "sane assessment" we have already discussed. There have been strikes here since 1928, but there was not the slightest attempt to use the local police for the advantage of the workers, or for any other purpose. The strike matters were handled, as in the past, by the state police and the sheriff. Although the cry of "Cossacks" came from the strikers, and there was considerable agitation in labor circles against the sheriff's proclamation concerning limited picketing, there was never a public utterance from City Hall for or against any phase of the strike. The last one was settled without the workers obtaining their object, and the members of the commission never took any part openly in the matter, and I have never heard of their activity in any other manner.

Public ownership of our utilities would be out of the question if the commissioners were to stand by their preëlection "pay as you go" platform. But even with their thorough post-election conversion to the bond method of payment, it would be problematical, considering the amounts involved. And our present Socialist commissioners are not radicals. Whatever they were before they were elected, they are not that now. Jim Maurer is the only one of the group who speaks much about Russia, which he has visited, and none of us are afraid that even Jim prefers Leningrad to Reading, or Leningrad ways to Reading ways. He has a facility of speech which usually subjects him to the control of his audience, and some radical proposals result. But Jim would never favor a revolution, or even the confiscation of the utilities. At heart he is decidedly more Pennsylvania Dutch than anything else.

No! Socialism in Reading city government has been and will be just what Democratic and Republican governments have been, making allowance for the fact that it is a new broom, and is opportunely free of a long and sinful past. Our Socialist friends divide the population into two classes, one of which they are a part, and the other composed of capitalists. We don't know their definition of a capitalist, but we do know that all the members of the commission own real estate. There is no easy way of finding out what else they may own. One member owns two houses, clear of debt, having a total assessment of about $12,000. These properties happen to be recorded in his wife's name, but he publicly claims an interest. One member has owned his home since 1901; another since 1913; and they were all bought prior to 1927. So these men are not what some of our country's business interests think they are. Invested capital is as safe in Reading as any place. We would venture that it is safer, because we have "Socialism" and we know that the Reading brand is perfectly safe.

FIRST-CLASS POLITICIANS

These men were inexperienced in government, but they understood the principles of business even though they continually advertised themselves as anticapitalistic. And they have become first-class politicians. They had no intention of wrecking the machinery of government by untried methods. They knew they were elected chiefly by the Democrats and they proceeded to stand pat and give a *good* Democratic administration, instead of just an *ordinary* one. They are not getting less conservative as time goes on. In fact they are getting so conservative that they are beginning to do the expected in city administration. There is talk about the number of relatives that the commissioners have on the city's pay roll. In the matter of spoils their record outruns that of the two previous administrations. The police department is protected by civil service regulations. But the park guards are not, and there was noticeable public indignation a short time ago when the entire force was ousted at one time to make way for the faithful. The water bureau, too, which is one of the large employers of labor, has offered a fruitful field for patronage. In a number of the better paying positions, holdovers have been the rule only because candidates could not be found in the ranks whose appointments could be defended in anything like an acceptable fashion. One of the members of the commission vouchsafed this explanation quite frankly.

But these things are politics. They are not politically wicked. Nor are they new or different. Even with these unexpected opportunities the rank and file are chaffing that in such times of unemployment, jobs are not keeping pace with the needs of a growing party. Of a different stripe is the accusation that a new sand company formed since 1927 is dominated by the Socialist city comptroller, and its product recommended to contractors doing work for the city. All these things are the doings of politicians and surely politicians are not reds.

Such feeble efforts at Socialism as the establishment of a city machine shop for the repair of the city's automobiles is a far cry from the schedule. The city is cleaning its streets now, but there is nothing alarmingly socialistic about that. Any other new functions that are being performed by the city are not important enough to have attracted any public interest or attention.

UNEMPLOYMENT RELIEF IN HANDS OF "CAPITALISTS"

When the unemployment situation first became acute enough to cause public discussion and the mayor was looked to as the Moses to lead us out, he explained that, although there were people out of work, the numbers were not out of the ordinary, and such a thing as an unemployment crisis was a mental myth. Having been close to the labor situation for years and being the leader of the city government his views were worthy of confidence. But the thing persisted. The Community Chest was being depleted so fast that something must be wrong. The social agencies were crowded with pleas for help. After a time some of the city's capitalists who were serving in advisory capacities with the social workers, importuned the mayor most urgently to recognize the situation and call a conference of representatives of civic organizations. It was necessary to raise funds, and quickly, to supplement the chest.

The conference was called by the mayor and he appointed capitalists to raise the money, dispense the assistance and secure the jobs for the unemployed. Two of the three leaders appointed by the mayor are large manufacturers and the other is a prominent Republican worker. About $60,000 was raised by public subscription through appeals by the newspapers. The need was for $100,000. With this new fund about exhausted the city fathers were urged most vigorously to replenish it from the city's coffers. This plea was refused until just recently when the commission voted $10,000 for the purpose, with the understanding that this was the limit. City funds have to be administered by representatives of the city government, so these same three capitalists were appointed by the commission to spend the $10,000.

The local unemployed have their red wing and it "marched on City Hall." The announcement aroused interest, because they were going to call on erstwhile comrades. The mayor and Mr. Maurer, spokesman for the party, greeted them cordially, and readily granted their demand to hold meetings in the city's auditorium, but said they could not help them with the no-rent and $15 a week-pay-from-the-public-chest program. These men feel that the Socialists have gone conservative with a vengeance. They were told that when the whole country goes Socialist then their ills will be remedied, but the agitators look for a little relief from our small experiment.

The Socialist members of the school board were given credit for throwing several hundred men out of work, because they would not consent to work being done by the hour. They insisted on open bids and contract awards. Does that sound radical? The Democratic and Republican members of the board were perfectly willing to have a lot of work done on a time basis even if it cost a little more, to furnish work for the unemployed. The Democratic county commissioners did it, but the Socialists school directors would not stand for it, because it was not strictly legal—and they were right, so right that they may be wrong.

THE FALL ELECTION

What story do the figures tell for this fall? The Socialist registration increased from 1,238 in 1927 to 1,936 in 1930. But what does 700 registration mean to the Socialist ticket in a count of 12,000 votes? Nothing. It is not registered Socialists who elect Reading-Socialists to office. So why bother about that figure? It probably represents 700 who were always Socialistic and decided to register and be grouped officially with the winners, for reasons best known to themselves.

In 1929 the Socialists repeated their victory of 1927, when they captured the other two places on the commission, but the figures were not the same. With only two years in office and with only three of the five members, they lost 15 per cent of their previous count. In 1929 the Democrats increased their count by 20 per cent over the 1927 figures. Democrats returning to the fold weaken the Socialist vote in an almost direct proportion. The Republicans also increased their figures. The votes at the primaries all dropped. The Socialists dropped from 374 to 353; but again, these figures have no meaning because there is never a contest at the Socialist primary election.

Irrepressible current happenings, adding their weight to the assessment and other sores, will surely decrease the vote popularity of the present administration. And this would be true by whatever name it called itself. Reading Socialists are ruling on sufferance of borrowed votes, and these loans will be called shortly, and very shortly if either of the old parties offers a half decent opportunity for the wayward to return and vote for candidates worth while. Reading-Socialism seems like a good short sale.

RECENT BOOKS REVIEWED

WHY EUROPE VOTES. By Harold F. Gosnell. The University of Chicago Press, 1930. xiii, 247 pp. $2.50.

This volume points the façade of the structure of comparative government with statistical data regarding European voting habits. Selecting England, France, Germany, Belgium and Switzerland for observation, Professor Gosnell has checked a vast amount of election statistics. The work has been well done, although most of the conclusions reached are already in the possession of students of political science. The value of the book lies not so much in the conclusions as in the methods by which they have been attained.

Quantitative methods sometimes strive to achieve novelty by attempting to support conclusions not warranted by the data in hand. From this fault the work of Professor Gosnell is free. He does not attempt to evaluate those factors which cannot be clearly isolated, nor does he oversimplify the problem in an effort to give scope to statistical measurements. As corroborative evidence of conclusions already reached by observation, the book will aid in understanding the European scene.

A chapter summarizing the results of European experience leads to a discussion of the extent to which the lessons learned abroad may be applied to the United States. The book contains as appendices tables of national and local election statistics which are distinctly helpful.

WILLIAM SEAL CARPENTER.

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CITY BOSSES IN THE UNITED STATES. A Study of Twenty Municipal Bosses. By Harold Zink, Ph.D. Durham, North Carolina: Duke University Press, 1930. 371 pp. $4.00.

This book is a study of a representative group of party bosses in an effort to give a clearer picture of the men who have risen to political dominance in American cities. The sample selected is the result of an effort to represent both divergent geographical areas and the several political parties. Some of the men chosen are obscure. Some appear in any political text book. On the whole, the task of selection is well done. The study is interesting in that it marks fairly well the limits of research in its particular field.

The writer leaves aside efforts at interpretation of personality from any modern psychological standpoint. The pages fail to reflect in any way the influence of Freud, or any member of the analytic school, and the reader is unable to detect in the volume the slightest effect of the revolutionary controversies which have modified in the last twenty years our understanding of personality and behavior. The writer merely catalogues the ancestry, the general family background, the major overt actions of the men under observation. Studies of this type are, of course, valuable, but the reviewer feels that the younger men in political science should branch out into newer channels. The work under discussion is able, but at best it merely repeats a method already capably developed by the older generation of political observers.

HARRY A. BARTH.

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LEGISLATIVE PRINCIPLES. THE HISTORY AND THEORY OF LAW MAKING BY REPRESENTATIVE GOVERNMENT. By Robert Luce. Boston and New York: Houghton, Mifflin Company, 1930. 667 pp. $6.00.

Readers familiar with the earlier volumes of Mr. Luce will welcome this third study of the series on the Science of Legislation. Like its predecessors, it contains a vast array of facts collected from varied and sometimes obscure sources.

The title is somewhat misleading. Beginning with a chapter on the nature of law, the author then proceeds to a consideration of the general subject of representative government. Such topics as the origin of the idea of representation, proportional representation, protection of minorities, popular and geographic representation and apportionment under the union, are among the topics considered. There are also chapters on the origin of constitutions, the process of constitutional amendments, corrupt practices, franchise tests, initiative and referendum, right of petition, and the nature and function of public opinion. Thus the subject matter, in the opinion of the reviewer, includes too much and too little. In Mr. Luce's volume is embodied material on the organization and structure of government that cannot be properly brought under the subject of legislative principles. There is, on the other hand, surprisingly little discussion in these pages of what may strictly be called principles of legislation. Although drawing his material chiefly from American sources, the author does not hesitate to include the experience of other countries. Thus the book might as well be entitled Principles of Comparative Government.

The chief value of this study lies in the wealth of material that is here collected. Serviceable chiefly as a reference book, its use might have been greatly enhanced by marginal notes and a table of contents listing the subject matter of the chapters.

ALPHEUS T. MASON.

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RIDERS OF THE PLAGUES. The Story of the Conquest of Disease. By James A. Tobey, Doctor of Public Health. New York: Charles Scribner's Sons, 1930. 348 pp. $3.50.

The third chapter opens with these words: "The science of public health has done more for the welfare of the human race than any other science." Since in a broad sense this is a true statement, we ought to welcome any book that seeks to arouse interest in this science and its attendant arts. Because this book not only has that object but has several very interesting sections, it deserves to be on the reading list of public administrators and citizens of public spirit.

Many of the "twenty-one heroes" are dealt with whose self-effacing work has left them unknown to the man in the street, but their researches and discoveries are responsible more than anything else for the lengthened lives and more robust constitutions of the men and women of today.

There are whole chapters on Pasteur, Florence Nightingale, Lister and Sedgwick which contain stories, incidents, and anecdotes concerning them and their contemporaries. These should fire the imagination of youth "to do great deeds" in the field in which, in spite of undoubted solid achievement, so much remains to be done, as the present influenza epidemic reminds us.

The last two chapters, one on our new knowledge of nutrition, and the other on the art of sane living, do not, critically speaking, belong in a book with the title this one has, but since nutrition has been found to be important in acquiring resistance to certain microörganisms, it tends to point the direction in which sanitarians expect to be of greatest use to their fellows in the near future. As for the value of bringing home the increasing toll that mental disease is taking, and then offering some simple rules for cultivating mental hygiene, no fault can be found with this.

The reviewer wonders how the author managed to keep silent on the constant cry of public health men when they gather together—the interference of politics in their departments; not only the politics of the ballot-box but of medical societies, schools, fads, etc. Maybe he did not want to tell the youths whom he would inspire to be riders of the plagues, that one of the plagues, infecting public health departments, in far too many states and cities is the vested interests which blindly strive for power at the cost of human health, as well as the pinch-penny "taxpayers' association" to whom the appropriation for health is the first place to "economize."

If one hundred thousand boys and girls in their late 'teens read this book, the line of heroes of peace will be augmented in the next decades. If that number of adults read it, there will be delegations of laymen to the next budget hearings pleading for a larger investment of public funds in a direction in which the returns are surer and more valuable than those of any other activity—public health.

WALTER J. MILLARD.

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CITY NOISE. Noise Abatement Commission. New York: Department of Health, 1930. 308 pp.

While sensitive individuals can feel the strain of nerve-wracking intrusions upon the ear drums it has remained for science to reveal the full extent of the havoc wrought by noise.

The commissioner of health of the city of New York appointed a Noise Abatement Commission in October of 1929. In the autumn of 1930 a volume of more than 300 pages was issued by the commission under the title of "City Noise." The commission was composed of nine physicians two business executives, a civil engineer, an acoustical research director, a lawyer and several public officials. One of the doctors conducted experiments which seemed to prove that noise contributed to fatigue, lessened efficiency or at least necessitated greater effort to accomplish results.

A tabulation of the noises which gives most annoyance to citizens lists in the following order: motor trucks, automobile horns, home radios, elevated trains, street and store radios, automobile brakes, ash and garbage collections, street cars, automobile cut-outs, fire department sirens and trucks, noisy parties and entertainments, milk and ice deliveries, riveting, subway turnstiles, buses, horse-drawn trucks, locomotive whistles and bells and so on down the list to restaurant dishwashing which rated 25 complaints out of 11,068.

Experiments were conducted to measure noise, and to analyze the characteristics which prove most startling or nerve-wracking.

As the result of scientific experiments, old and new, the commission definitely recommended for the city of New York:

> 1. That the city government authorize a noise squad as a part of the health department whose duties in the field of noise abatement will be similar to the present excellent system used by the department of health in abating the smoke nuisance. The system used by the department of health in investigating noise complaints should be continued and, if conditions warrant, extended.
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> 2. That a comprehensive and energetic educational campaign be conducted to arouse public consciousness to the evils of noise and advantages of a quieter city. The general public should be supplied with information which will make clear the methods by which relief from noises can be obtained so that every citizen will know which city department has jurisdiction over various sources of noise and so may send his complaint immediately to the right place and so have it investigated without the delay of rerouting.

The commission recommended that the sources of city noise as revealed in the noise measurement survey be used as a guide.

The work of the Noise Abatement Commission has received enthusiastic comments from the press throughout the United States. The important report published by the New York Commission should, if followed up, result in mitigating the unnecessary noises of New York City; but its effect, if New York is successful in any degree, should reach to all of our noisy cities, and, perhaps, lead to the creation of a quieter environment for the people which in itself would contribute to the comfort of living and bring about a larger output of work in relation to the effect expended.

HARLEAN JAMES.

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THE LAW OF ZONING. By James Metzenbaum. New York: Baker, Voorhis & Co., 1930. 584 pp. $7.00.

The author may be regarded in the light of a special pleader for a better understanding of the problem of zoning, having spent some years as a practicing lawyer in that field. In fact, the volume in its more technical aspects closely follows his brief argued before the United States Supreme Court in the case of the village of *Euclid et al.* vs. *Ambler Realty Company* (272 U. S. 365) in which the fundamental philosophy underlying our present zoning law is set forth.

Mr. Metzenbaum's volume evidences much research into the historical, as well as legal phases of his subject and fills a real need in this increasingly important field of government.

The arrangement of his material follows a logical order making for easy reading by the layman—a fact much to be appreciated in these days of rapid scanning. For the student and expert in the field of government, the book will be found especially valuable as a reference work because of the digest of state decisions affecting zoning, as well as the printing in full of some of the principal city zoning ordinances such as New York, Chicago and Cleveland. The form of procedure of the New York Board of Standards and Appeals should prove of great practical value to anyone with problems in that field. The book is well indexed with respect to both cases cited and factual material.

The author is to be congratulated on presenting in an interesting style an extremely technical subject in such a manner as to hold the interest of the lay reader, as well as the expert.

RUSSELL MCINNES.

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A TRAFFIC OFFICER'S TRAINING MANUAL. By Clarence P. Taylor. Chicago: National Safety Council, 1930. 225 pp. $2.00.

It would seem to be a hopelessly difficult and futile task to prepare a traffic officer's training manual for general use. Volume and kind of traffic, street widths, state laws, city ordinances, governmental and political inhibitions, public tolerance, and the other conditions affecting a traffic officer's work vary so widely from city to city that, to a layman, it would appear impossible to set down instructions of universal application.

However, the reader of this manual soon finds that there are principles of official conduct, investigation, the use of data, making reports, giving testimony, and the like that are fundamental and general. These the manual clearly sets forth. Further, the book has succinct things to say on the nature of the traffic problem, on control of intersections, parking, processions and crowds, headlights, and mechanical equipment; things which, if known to a traffic officer, should assist his work.

The manual is clearly and simply written, of convenient size for the official pocket, and printed in large type. As a textbook of those underlying and general principles of good traffic regulation it should find wide use, and, also, it should help to a uniform and better informed approach to the traffic problem.

C. A. HOWLAND.

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STATE INCOME TAXATION. By Roy G. Blakey. Publication No. 31, The League of Minnesota Municipalities. December 15, 1930. 34 pp. 50 cents.

Professor Blakey of the University of Minnesota gives in this document an excellent summary of state income taxation in the United States. The pertinent facts on income taxation in the several states using this method of taxation are set forth in tabular and graphic form. In emphasizing the importance of good administration, the author cites the successful experience of Wisconsin and observes that states adopting income taxes have been successful or not largely in proportion to the degree in which they have followed the lessons of Wisconsin's administrative experience. Some of the conclusions of the author may be of interest. He believes that income taxes can be administered fairly well under good centralized supervision reasonably free from political pressure. Whether the adoption of income taxes lightens other taxes is difficult to say, since taxes are determined by expenditures. It seems probable that the general property tax would have been larger than it now is in a number of states had not the income tax assumed part of the burden. The charge that the income tax is bad for business and drives industries from a state does not seem convincing, except to those who want to be convinced. It should prove attractive to new industries, since they will have little or no taxes to pay while they are getting on their feet. An income tax is one of the best forms of privilege tax, and, with proper personal exemptions, it is also one of the best of luxury taxes. Securing good administration, ascertaining net income, and stabilizing yields are serious but not insurmountable difficulties that confront the successful application of state income taxes. Professor Blakey concludes that "a properly drawn and administered income tax seems best suited to meet the insistent demand in Minnesota for a supplementary source of revenue."

MARTIN L. FAUST.

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STATE SUPERVISION OF LOCAL FINANCE IN MINNESOTA. By Edwin O. Stene, M.A. Publication No. 30, The League of Minnesota Municipalities. November 15, 1930. 34 pp. 50 cents.

This publication presents a descriptive and to some extent critical account of state supervision of local finance in Minnesota. References to the practices and more highly developed methods of state supervision of local finance in other states are included with the evident purpose of suggesting a more satisfactory policy in Minnesota. Necessarily the author gives his attention mainly to such problems as state control of local taxation, the relation of the state to municipal budgeting, supervision of municipal accounting, and supervision of municipal indebtedness. For the most part the system of state control of these matters in Minnesota is one of statutory limitations and directions with a negligible amount of state administrative supervision. In a final chapter on Summary and Conclusions, Mr. Stene appraises the Minnesota situation on the basis of the report of the committee on state supervision of local finance of the National Conference on the Science of Politics of 1924. The Minnesota system, because of the lack of a system of state supervision, fails to insure local self-government. "Leaving municipalities entirely to themselves does not insure self-government. Since the voters are unable to get for themselves information which would help them in their determination of policies, positive aid in the form of statistical data or expert advice is of considerable value in promoting intelligent local self-government." A single department for municipal affairs with limited powers of compulsion but with adequate facilities and a generous spirit for coöperation is in substance the author's recommendation for the development of a more satisfactory policy in state supervision of local finance in Minnesota.

MARTIN L. FAUST.

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CONTROL OF PUBLIC UTILITIES ABROAD. By Orren Chalmer Hormell, Ph.D. Distributed by the School of Citizenship and Public Affairs, Syracuse University, Syracuse, New York, 1930. 88 pp. $1.00.

In view of the increasing interest in the problems of public utility regulation and control, Prof. Hormell's monograph is especially timely and useful. Appearing originally as an appendix of a report of the Committee on Revision of the Public Service Commissions Law of the State of New York, it has been reprinted separately in convenient form and is recommended to all students of the public utility problem interested in comparing the methods of public utility control in Europe with those in vogue in the United States. The practices of Great Britain, France, Germany, Sweden, Norway and Switzerland with regard to ownership, taxation and regulation, including determination of rate base and fixing of rates, are presented in precise detail. The present situation with regard to each utility is considered separately and special attention is given to plans of regional and national power development. A well-selected bibliography is presented for the public utilities of each country considered.

FREDERICK L. BIRD.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

The Organization, Functions and Expenditures of Local Government in New Jersey.—Trenton, 1931. 272 pp. The New Jersey Legislature in 1929 authorized a Commission on County and Municipal Taxation and Expenditures. This commission aided by Dr. Harley Lutz and a staff headed by Hugh J. Reber of Griffenhagen and Associates, Ltd., has recently reported. The first report is available in three sections: I. Some Aspects of Local Governmental Organization and Structure; II. Expenditures and Functions of Local Government in New Jersey; III. Factors Contributing to the High Cost of Local Government and a Suggested Program of Revision and Reconstruction. The commission holds that apart from actual misgovernment, excessive taxes are due to diffusion of responsibility under the present governmental structure. Concentrating responsibility for expenditures will require surrender of a degree of home rule, a choice put to the people. The commission recommends simplifying organization and structure of the local government, developing standards of service and costs, coöperation of state and local authorities in providing governmental services, making a re-allocation of responsibility for services on the basis of logic, rather than accident, distinguishing between policy-determining and administrative functions, eliminating patronage. This first report by the commission is an important addition to current reconstruction programs. (Apply to Commission to Investigate County and Municipal Taxation Expenditures, Trenton, New Jersey.)

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The Inheritance Tax in Kentucky.—Rodman Sullivan. University of Kentucky, 1930. 63 pp. Since 1906, Kentucky has had some form of inheritance tax. Records are now available since 1920, and Professor Sullivan has here presented the results of his study of these. He considers the four successive Kentucky laws, and their influence on revenue, as a whole, and by relationship groups, the practical effect of progressive rates, exemptions and justification for groupings. Such facts as those discussed here seem indispensable to any consideration of the success of the inheritance tax, and opportunity for improving its form and operation. (Apply to Bureau of Business Research, University of Kentucky, Lexington, Kentucky. Price, 50 cents.)

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A Ten-Year Budget of City Improvements for Youngstown.—City Planning Commission, 1931. 29 pp. with maps and diagrams. This is a program for civic development whereby Youngstown, Ohio, may increase its usefulness from business and industrial standpoints, and as a desirable place in which to live. It presents a method by which improvements may be made over a ten-year period with a limited expenditure and no tax increases. The plan includes street, bridge and viaduct proposals worked out on careful survey of present traffic conditions and expected city growth; public buildings for fire stations, courts and jail; a park and school playground development with an increase of about 50 per cent; a remodeled sewer system to care for the excess load and storm emergencies. The expenditure of $7,625,000 will thus take care of the items essential to Youngstown's development for ten years, and with forward-looking plannings ought to be met without tax increases. The Planning Commission recommends revision in case of necessity, and a continuing ten-year-ahead plan. (Apply to City Planning Commission, Youngstown, Ohio.)

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Population Trends.—Philadelphia, 1931. 32 pp., illustrated. The Regional Planning Federation of the Philadelphia Tri-State District, through its Population Committee, has estimated the numerical growth of this region to the year 2000. The conflicting trends to urban centres and from the city proper to suburban regions, and sub-centers are considered. Future welfare and comfort demand comprehensive planning to provide physical facilities for recent increases on the peripheries of the principal cities of this region (including not only Philadelphia, but Camden, Trenton, Wilmington and Chester), the rehabilitation of areas abandoned by migration of population, and facilities for the region in anticipation of the growth indicated for the future. With great opportunity, industrial, transportational, and residential, the region can make the most of this only through coördinated and far-sighted planning, with alert, constant study of factors making for liability and progress. (Apply to Regional Planning Federation, 1700 Tax Building, Philadelphia, Pennsylvania.)

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Discussion of Certain Municipal Problems.—Roy A. Knox. Los Angeles Bureau of Budget and Efficiency, 1931. 39 pp. Mr. Knox, director of the Bureau, spoke to various audiences on budgetary problems of the city of Los Angeles, what the taxpayer receives for his money, fact-finding in a city's business (the work of the Bureau), and legal limitations of special assessments. These speeches were printed by the vocational printing classes of the Fremont High School as an educational project. (Apply to Bureau of Budget and Efficiency of the City of Los Angeles, California.)

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The Form of Government in 288 American Cities.—Charleton F. Chute. Detroit Bureau of Governmental Research, 1931. 20 pp. In 1929 a questionnaire on form of government was sent to all cities with a population of 30,000 or more. Information was secured and tabulated on general form of government, whether elections are partisan or non-partisan, the number of councilmen and whether they are elected at large or by wards, the term of the council, and whether the members' terms overlap, the salary of the councilmen and the term and salary of the mayor. Simple tabular form, with very little text, is used to present the material. (Apply to Detroit Bureau of Governmental Research, Inc., Detroit, Michigan.)

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Report on University of California.—California Taxpayers' Association, Inc., 1931. 52 pp. This joint project of the University and the Research Department of the California Taxpayers' Association involved two years of study. A great deal of statistical material was accumulated in job analyses of 2,000 faculty members, classroom attendance and grades of 20,000 students. Records of classes with an enrollment of 174,168 were analyzed and data assembled on the cost of instruction, by departments and divisions. The study is a general one on finances and growth of the University for the years 1918–1929, has details on unit costs of instruction for 1928–29, and gives a fund of material for predicting future development. Part I of the Report is the original data, not published. Part III is a summary presented serially in *The Tax Digest.* Part II is the analysis of the survey with conclusions and recommendations supported by graphs and summaries of the detail in Part I. (Apply to California Taxpayers' Association, Subway Terminal Building, Los Angeles, California.)

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On Guard.—New York, 1931. The Prison Keepers' Council of the New York City Department of Correction have started this year to publish monthly "the only magazine in America by prison keepers, of prison keepers, for prison keepers." The current issue contains articles on prison reform as proposed by the New York State Commission, the difficulty of effecting reform in some of those prison practices said to be "cruel or degrading," mental attitudes of prisoners, the importance of the keepers' attitude toward the prisoner, dope peddling. These articles are the work of "outside experts" as well as of the keepers, and some issues also include the work of prisoners. The high quality of the magazine may be difficult to maintain. (Apply to the Editor, Keeper Alexander Weinstock, 715 West 172 Street, New York City. Price, 25 cents a copy.)

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE

Professor of Law, New York University

Civil Service—Order Barring Political Activity by Civil Service Employees Upheld.—In a recent decision, *Stowe* v. *Ryan* (1931) 296 Pac. 857, the Supreme Court of Oregon upheld the action of the Civil Service Commission of Multnomah county in removing the plaintiff from office for violating the law forbidding civil service employees from engaging in political activities. The opinion of the court reviews not only the local statutes but discusses the extent of control that may be exercised over officers and employees under civil service from the point of view of constitutional law. The leading cases of *Ex parte Curtis,* 106 U. S. 371, *McAuliffe* v. *Mayor of New Bedford,* 155 Mass. 216, 29 N. E. 517, and *People* v. *McCullough,* 254 Ill. 1 (1912), 98 N. E. 156, are discussed and reviewed. These cases sustain the plenary power of the state to prescribe the conditions of service and the rules of conduct for its officers and employees to the extent that may be necessary to promote efficiency and integrity in the discharge of their duties and a proper discipline in the public service. The power of Congress to prescribe similar rules of conduct for officers and employees of the United States was sustained by the Supreme Court in *United States* v. *Wurzbach* (1930), 280 U. S. 396.

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Eminent Domain—Public Purpose.—In *State* v. *Oliver,* 35 S. W. (2d) 396, the Supreme Court of Tennessee holds that the power to condemn property for park purposes is not limited by the fact that the ultimate purpose of the condemnation is to transfer the lands so taken to the United States for inclusion in a national park. The lands in question are a part of those deemed necessary for the establishment of the Great Smoky Mountain National Park in North Carolina and Tennessee, authorized by the Act of Congress in 1926 (16 U. S. C. A., §403).

It is well settled that a municipal corporation may be empowered to condemn land for a public purpose that is also for the common interest of other municipalities or of the state itself (*Hill* v. *Roberts,* 142 Tenn. 215, 217 S. W. 826). The court holds that a park maintained under federal ownership and operation may serve the public interests of a city, a county or of the state itself, although primarily for the use of the people of the entire country. The superior advantages to the people of Tennessee because of the closer access to a natural park are obvious.

The conclusion of the court is supported by decisions in other states where a similar question has been raised. In *Yarborough* v. *North Carolina Park Commission* (1928), 196 N. C. 284, 145 S. E. 463, the court upheld the authority given to the state park commission to condemn lands to be conveyed in fee to the federal government for the same enterprise. In *State* v. *Milwaukee* (1914), 156 Wis. 549, 146 N. W. 775, the power granted to the city to condemn land to be transferred to the United States for the improvement of the local harbor was upheld. So, also, the state power of eminent domain may be exercised where the purpose is to turn over the lands taken to the federal government for public defense (*Rockaway* v. *Stotesbury* (1917), 255 Fed. 345, 352).

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Powers—Portraits of Soldiers as Equipment of a Memorial Building.—One of the many interesting cases relating to war memorials is that of *Imperishable Arts, Inc.* v. *City of Cambridge,* 175 N. E. 52, recently decided by the Supreme Judicial Court of Massachusetts. Under authority given by statute to appropriate money for "purchasing, erecting, equipping and dedicating buildings, or constructing or dedicating other suitable memorials, for the purpose of commemorating the services and sacrifices of persons" who served in the World War, the City of Cambridge set aside a memorial room in the Cambridge Public Library and contracted for one hundred and forty portrait placques of dead heroes to be placed therein. After they were delivered and the money appropriated to pay for them, the city auditor refused to pay the bill upon the ground that the city had no power to contract for such a purpose. In affirming a judgment for the plaintiff, the court holds that enduring and lasting portraits are appropriate memorials and that they are included within the proper equipment authorized by the statute for a memorial building.

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Powers—Lease of Park Property.—Under the so-called Home Rule Act of New Jersey, the power is given to a municipality to lease "any part of any public park or place of public resort owned by it and not presently needed for which it was acquired or any building or portion thereof thereon not so needed" and further that "the letting thereof shall be advertised in some newspaper circulating in the municipality at least ten days prior to the receipt of bids" (P. L. 1917, Art. 36, sec. 13). In *West, et al.* v. *Borough of Monmouth Beach,* 153 Atl. 495, the Supreme Court of Errors and Appeals holds that these limitations upon the exercise of the power are mandatory, that in absence of a compliance therewith no valid lease may be made and that the defect cannot be cured by part performance on both sides nor by the acceptance by the municipality of the consideration or money for the use and occupation of the property.

In the instant case, the borough agreed to lease a bathing pavilion and part of its public beach to the plaintiffs for the season of 1928 at an agreed rental of $650. The borough tendered a lease which the plaintiff refused to accept as it contained a clause reserving to the public access to the bathing beach. Nevertheless, they paid part of the rent and went into possession and later upon action brought to enforce the agreement paid the remainder of the rent. The present action was for damages for the interference by the borough with their alleged leasehold rights.

The New Jersey courts have consistently stood for a strict construction of municipal powers and refused to admit that any binding obligation can arise where the power is lacking or where the municipality has failed to comply with the statutory requirements as to the method of exercising such power. In the instant case, the court finds that upon both of the above grounds the agreement was illegal and that no contract either express or implied arose. The general rule that the powers of a municipal corporation cannot be extended by the operation of the doctrine of estoppel has recently been modified in some jurisdictions to give a remedy for benefits received under a contract invalid because of a failure to comply with the statutory requirements limiting the method by which a power may be exercised (*First National Bank* v. *Goodhue,* 120 Minn. 362, 139 N. W. 598; *Webb* v. *Wakefield Township,* 239 Mich. 521, 215 N. W. 43; *Silliman* v. *Connecticut,* 111 Conn. 510, 150 Atl. 502), but nowhere has the doctrine been applied to cure transactions which are clearly ultra vires. The limitations upon the application of the doctrine of estoppel to the acts of governmental agencies are well set forth in *Denver & S. L. Ry. Co.* v. *Moffat Tunnel Improvement District* (1929), 35 Fed. (2d) 265 and *City of Bristol* v. *Dominion National Bank* (1929) 153 Va. 71, 149 S. E. 632.

✤

Police Power—Regulation of the Production and Sale of Ice.—In *New State Ice Co.* v. *Liebmann,* 42 Fed. (2d) 913, the Federal District Court of the Western District of Oklahoma declares invalid chapter 147, Laws of Oklahoma, 1925, which provides that the manufacture, sale and distribution of ice shall be deemed a public business as defined by the laws of that state, subjects it to license fees based upon the tonnage sold and places it under the jurisdiction of the state corporation commission. The statutes of that state (section 11032, Compiled Statutes) provide for the regulation of any public business as to practices, charges and rates whenever in any community it becomes a virtual monopoly.

In the instant case an injunction was sought by the petitioners to restrain the defendant from engaging in business in competition with them without his complying with the law and obtaining a license from the corporation commission of the state. It is quite clear that the petitioners as private parties had no standing to invoke equitable relief against the defendant because of his failure to comply with the state law, and the bill was properly dismissed. But the District Court asserts that the entire law is invalid as an attempt to regulate a business that in fact is private in character and does not tend to become a monopoly more than any other legitimate private business. While it is true that the declaration of the legislature is not conclusive, it should be given great weight and its finding that the business of supplying ice to a community is charged with a peculiar public interest should not be disregarded if there exists any basis for the conclusion. The relation of the ice business to public health seems in itself sufficient to justify state supervision and regulation. Such regulations if reasonable to attain the ends intended should be supported and their enforcement by the state authorities upheld. It seems that most of the discussion of the court as to whether the business is a public utility is besides the issue and was not necessary to the decision of the case.

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Special Assessment Liens—Effect of Sale of Lands for General Taxes.—In its recent decision in the case of *State* v. *City of Vancouver*, 295 Pac. 947, the Supreme Court of Washington has again changed its construction of the statutes of that state and now holds that the city cannot be held directly liable on special assessment bonds payable out of the special fund or be compelled to make a reassessment to meet a deficiency where the assessment when made was sufficient to meet the bonds, but through delays in collection and the cutting off of the special assessment liens by sale of the lands affected for general taxes the fund has become insufficient. This decision expressly overrules the previous decision of the same court in the case of *Loveless* v. *Chehalis* (1925), 133 Wash. 33, 233 Pac. 301, which held that under such circumstances the bond-holder could require a reassessment on all the lands in the district except those which in the meantime had been sold to satisfy the lien of general taxes.

The law of special assessment liens is entirely statutory and occasionally the vagueness of the statutes leads the state courts into contradictory conclusions as to their construction. When the highest court of the state finds itself unable consistently to construe the special assessment statutes, as in Washington, no one can know how the law will be applied in any given case. It would seem that the only recourse left to the bondholder would be to invoke the protection of the federal courts against the impairment of his contract rights. If the law as construed by the highest court of the state gave him certain rights under his contract when executed, those rights should be assured him in an action brought in the federal courts against a change in the statute by judicial construction as well as by legislative act (*Gelpcke* v. *Dubuque*, 1 Wall. 175; *Tidal Oil Co.* v. *Flanagan*, 263 U. S. 444).

For a somewhat extended discussion of the general subject of special assessment liens the reader may be referred to the extended notes published in the April and June, 1928, numbers of the REVIEW.

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Torts—Liability for Negligence in the Care of Parks and Playgrounds.—In *City of Sapulpa* v. *Young*, 296 Pac. 418, the Supreme Court of Oklahoma had before it for the first time the broad question of the liability of a municipality for negligence in the maintenance and operation of its parks. The plaintiff, a girl of fourteen, was severely injured in playing with a swing which from its construction and location was dangerous for children to use. While in one earlier decision (*City of Anadarko* v. *Swain* (1914), 42 Okla. 741, 142 Pac. 1104), the court had predicated liability upon the application of the doctrine of attractive nuisance, the facts of the instant case required that it be decided upon the broader consideration of the nature of the city's duty to the public in the care of its parks and playgrounds. Upon this question the courts of several states take the ground that the function exercised in maintaining parks and playgrounds is primarily governmental as related to the public health and that no duty of care is owed to the members of the public who may use them. On the other hand, the courts of many other states, including those of New York, Pennsylvania, Ohio, Indiana and Missouri, take the more modern view that parks are established primarily for the welfare and convenience of the locality and that the municipality should be held liable to the individual who suffers damages caused by its negligence in failing to maintain them in a reasonably safe condition.

Faced with this conflict of authority, the Supreme Court of Oklahoma definitely places itself in line with those courts that apply the doctrine of liability and affirmed a judgment for the plaintiff. It is noteworthy, that in every instance where this question has been raised for the first time in recent years the state courts have without exception adopted the more liberal doctrine.[1]

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Indebtedness—Unsold Bonds May Not be Used as Collateral without Express Statutory Authority.—In *City of Sanford, Fla.* v. *Chase National Bank*, 44 Fed. (2d) 206, the District Court of the Southern District of New York decreed the restitution to the city of some $740,000 par value of bonds of the city, which had been issued and pledged as collateral with a local bank and repledged to the defendant as collateral security for money advanced to the local bank upon the city's certificates of indebtedness and credited to the city's account in such bank. The court holds that, as no statutory authority was shown which gave the city power to pledge the unsold bonds, the defendant bank was bound to return them upon demand of the city.

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[1] See *Byrnes* v. *Jacksonville* (1925), 140 Miss. 656, 105 So. 861; *Ramirez* v. *Cheyenne* (1925), 34 Wyo. 67, 241 Pac. 710; *Warden* v. *Grafton* (1921), 99 W. Va. 249, 128 S. E. 375; *City of Waco* v. *Branch* (1928) (Tex. App.), 5 S. W. (2d) 498.

The city also sued for the return of certificates of indebtedness largely in excess of $450,000 issued by the city officers, upon which the defendant had advanced money that had found its way into the local bank account of the city. The evidence showed an earlier discount of similar certificates under proper authorization up to $450,000, which had been paid from the proceeds of other bonds when sold, and a later existing authorization of certificates up to $300,000. The court held that by the acts of the plaintiff city and the recitals printed upon the certificates the city was estopped to deny their validity up to the amount of $450,000. This case is significant in that the court applies the doctrine of estoppel to enforce non-negotiable municipal obligations, otherwise invalid.

The great weight of authority is that the doctrine of estoppel by recitals cannot be invoked against a municipal corporation to cure an ultra vires act. But in the instant case the city had the power to borrow money by the issuance of certificates of indebtedness when duly authorized by the city commission and the estoppel might well extend to all certificates from the sale of which the city derived the proceeds. The later decisions uphold actions for money had and received into the treasury by the sale of invalid securities, and if the doctrine of estoppel is to be applied there would seem to be no good reasons for limiting its application to the certificates of $450,000 (*Brenham* v. *German American Bank*, 144 U. S. 549; *South Sioux City* v. *Hanchett Bond Co.*, 19 Fed. (2d) 476).

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Zoning—Teaching of Music a Profession.—In *People* v. *Kelley*, 255 N. Y. 396, 175 N. E. 108, the New York Court of Appeals reversed a conviction of the defendant for a violation of the zoning laws of the city of New York in conducting a music studio in a restricted residence district. The court bases its decision upon the clause of the city charter (sec. 240—b) which provides that regulations for districts zoned "may be imposed, designating the *trades* and *industries* that shall be excluded or subjected to special regulations." The court holds that the teaching of music is a profession, and not a business, trade or industry as these words are used in the law, in zoning regulations or in common parlance and that under the police power no distinction can be drawn between the teaching of music and the teaching of any other art or the practice of medicine, law or dentistry. It is suggested, however, that any profession may be so conducted as to deteriorate or extend into a business or industry.

PUBLIC UTILITIES

EDITED BY JOHN BAUER

Director, American Public Utilities Bureau

ARE ELECTRIC DISTRIBUTION COSTS EXCESSIVE?

The view has been repeatedly presented in this Department that the principal responsibility for high electric rates, especially to domestic consumers, appears in distribution costs rather than in generation and transmission. As a result of the technological improvements that have taken place during recent years, the generating and transmission costs usually do not exceed 1 cent per kilowatt hour (including interest on investment), while the rates to the ordinary domestic consumer are seldom under 8 cents per kilowatt hour. Why this great spread between production costs and rates?

OBSCURING THE COSTS

As conditions stand, there is substantial control of production and transmission costs, because of their more ready determination and because of the territorial competition which exists between different power systems. But as to distribution costs, each company has a monopoly of service in a given municipality or locality, and merges all the different kinds of distribution costs so that analysis becomes difficult and the relation to service is obscured.

The fundamental fact is the local distribution monopoly; hence there is no natural check upon costs. They are not kept to a minimum through competition, and overheads are allowed to consume the margins of revenue provided by the high domestic rates. Furthermore, a large proportion of a company's aggregate investment is in distribution properties and is used for the benefit of the different classes of customers; so there is not only the uncertainty as to the "fair value" of the distribution properties, but also as to their allocation or relation to the various classes of consumers served under varying conditions.

The prevailing situation serves most excellently to obscure both the aggregate amount of distribution costs, including return on investment to which a company is reasonably entitled for reimbursement from the public at large, but also the relation of the costs to various classes of consumers. Under such circumstances, the high rates paid by the mass of ordinary domestic users can be explained by evasive generalities. A successful attack against specific rates requires an intensity of investigation and minuteness of analysis seldom obtainable in the interest of domestic users.

The large power users are not caught in the network of uncertainty and obscurity. They have this very simple protective measure: alternative sources of power produced either by steam or by the highly efficient, modern Diesel engine. Industrial rates are thus, perforce, kept low enough to attract and hold the large industrial business. This is a natural safeguard against high rates; hence industrial users require practically no protection from the elaborate and inefficient regulatory machinery that has been developed.

TURN ON MORE LIGHT

The ordinary residential user has no automatic protection against high rates. He must take the electricity furnished, and pay the rates that are fixed for him. It is this class for which effective regulation is needed and for which the companies' defenders are able to create obfuscation. This fact has been emphasized in this Department repeatedly, and has been supported by impartial students of rates. It received special emphasis recently by Morris L. Cooke in a letter addressed to the engineering profession, and largely through his efforts was recognized by the *Electrical World* in a special editorial in the issue of March 7, 1931, under the heading "Turn More Light upon Distribution Costs," which limited space unfortunately does not permit us to reproduce.

NEW YORK STATE DISTRIBUTION EXPENSES

Undoubtedly, light and more light is needed. As a small part of the lighting process, we wish to present for what they are worth, the results of recent studies that we made in the field of distribution costs. In the preparation of the "Marketing Report" for the St. Lawrence Power

Development Commission, we made a comprehensive survey of the distribution costs that would have to be provided to make St. Lawrence hydroelectric power available for the ordinary households of the state of New York. We pointed out the difficulties that are encountered in making an adequate distribution analysis for rate making purposes, so as to place equitably upon every class of consumers the costs that are reasonably due to them. While we made no specific finding, we presented the available data in such form as to show definitely what kind of studies and analyses would have to be made to assure reasonable rates for the domestic users.

In the study we included a survey of available distribution costs for every company and municipal plant in the state of New York, also all municipalities of 10,000 population and over in the province of Ontario, Canada. The figures indicate strongly, but do not prove conclusively, that in the state at large the distribution expenses are considerably higher for the private companies than for the municipal plants. There are, moreover, wide differences between individual companies, and for the most part high distribution costs obtain where high domestic rates prevail.

It may be true, of course, that high rates are due to the high distribution costs; but the reverse may also be true, that the high distribution costs have accumulated because the rates are high. by the different classes of consumers, and particularly whether they are not peaked cumulatively upon the domestic users.

For the state of New York as a whole, the different companies are grouped according to systems of control, including the companies controlled by the Niagara Hudson Power Corporation, the Associated Gas and Electric group, the Consolidated Gas group, the Long Island Lighting Company, the Central Hudson Gas and Electric, all other privately-owned properties, and the municipally-owned plants. For each group the operating expenses due to distribution were segregated from all other operating expenses. They included the cost of labor, material and superintendence connected with maintenance and operation of mains, services, meters, customers' appliances and commercial expenses connected with meter reading, accounting, collection, together with a due proportion of the general and miscellaneous expenses. They do not include taxes or return or interest on any of the distribution investment.

The expenses as thus obtained are divided for each group by the total electric sales to all industrial, commercial, domestic and other users, except the resale to other electric corporations. The following is a summary of the total kilowatt hours sold and the distribution expenses in mills per kilowatt hours sold, for the year 1929:

Company or system up-state	*Electricity distributed, kwh.*	*Distribution expenses; mills per kwh.*
Niagara Hudson Power	5,253,118,529	1.77
Associated Gas and Electric	648,852,588	8.56
Central Hudson Gas and Electric	109,171,927	14.10
Long Island Lighting (outside New York City)	116,580,985	13.54
New York Edison (outside New York City)	197,701,309	21.84
Other up-state companies	88,088,062	11.84
Municipal plants	84,284,619	5.21
Total up-state	6,497,798,019	3.65
Up-state, excluding Niagara Hudson Power	1,244,679,490	11.62
New York City		
New York Edison	3,303,056,202	11.48
Staten Island Edison (Associated Gas and Electric)	86,031,255	8.83
Queens Borough Gas and Electric (Long Island Lighting)	26,550,036	21.08
Total New York City	3,415,637,493	11.48
Total state	9,913,435,512	6.35
Total state, excluding Niagara Hudson Power	4,660,316,983	11.52

At any rate, here is a field that certainly requires intensive study (a) as to whether the costs are excessive and whether economies can be effected, and (b) as to how the costs should be absorbed

These figures are presented merely to show the extreme need of distribution cost investigation and analysis, not to prove specifically that the costs are excessive as to any company or group, or that slashing rate reductions in any instance are warranted. The facts as they stand, however, indicate that a detailed study is necessary to determine whether the costs themselves are excessive, and if not excessive, how they should be met by the different classes of users.

WIDE RANGE OF COSTS

The figures as they stand are extremely suggestive. Observe the extremely low cost of 1.77 mills per kilowatt hour for the Niagara Hudson Power. This low result is due in large part to the tremendous amount of industrial power sold by this system. The principal unit of this system is the Buffalo, Niagara and Eastern, with an aggregate sale of 4,697,000,000 kilowatt hours, which was chiefly industrial power; it produced the very low cost of only 0.28 mills per kilowatt hour for distribution expenses. The second unit in the Niagara Hudson group is the Mohawk Hudson Power Corporation, which serves electricity from Albany westward, and includes the populous mid-state territory. This company distributed a total of 1,421,000,000 kilowatt hours, which represents the more usual division between residential and industrial use; it had an average of 4.53 mills per kilowatt hour for distribution expenses, and this is the lowest average for any of the companies which are not primarily distributors of industrial power.

As to the other private companies and systems, the cost per kilowatt hour ranges from 8.56 mills per kilowatt hour for the Associated Gas and Electric system, to 21.84 mills per kilowatt hour for the New York Edison units outside of the city of New York. A clear picture for the state at large appears if the Niagara Hudson group is excluded from the average, because of its extremely high industrial power. The wide range of costs raises the basic question of fact whether in most instances the expenses are not excessive, whether huge economies are not attainable, and whether undue and improper overheads are not loaded upon the various system units.

PRIVATE AND MUNICIPAL PLANTS

An interesting and suggestive comparison appears between the private systems and the municipal plants. The municipal average is 5.21 mills per kilowatt hour, compared with 11.52 mills for the state at large (excluding Niagara Hudson Power). The state average is over twice the municipal average, and the difference raises sharply the question whether municipal distribution is not much more economical than private distribution, and if so, whether the municipal expense may not be used as a criterion of what would be reasonable and proper for the private companies.

There may be also the question whether, indeed, municipal distribution is not inherently more economical than private distribution, because of its relation to other municipal functions. It is quite probable that in any given instance private distribution, notwithstanding all attainable economies, would be more costly to the community than municipal distribution, because less complete coördination can be effected with other municipal activities and because of higher managerial and supervisory costs. This is one of the major questions of fact that is involved in the general investigation and analysis of distribution costs.

The low municipal expense of 5.21 mills per kilowatt hour, as against 11.52 mills for the state at large, must be considered, moreover, in relation to the fact that practically all the municipal plants appear in villages and small cities. There is a total of 51 plants in the computation, and of this number the largest is in Jamestown, a city of 45,000 population. The next largest community is Dunkirk, 18,000 population; Endicott, 16,000; Freeport, 15,000; Rockville Centre, 13,000; and Herkimer, 10,000. The rest range down to Deering Harbor, with an aggregate populace of 39 persons!

It is manifest that under such dispersed conditions, distribution costs would be higher than with greater concentration of consumers. Notwithstanding the large factor of dispersal, and notwithstanding the low power sales in the smaller communities, the average expense per kilowatt hour is less than half that of the private companies of the state. As the figures stand, they indicate that the municipalities have been doing, on the whole, a more economical job of distribution than the private companies. Upon detailed investigation and analysis, this inference may be invalidated, but the striking contrast challenges the efficiency of the private companies and calls for careful scrutiny of the facts.

THE JAMESTOWN PLANT

The largest individual municipal system is Jamestown, which has an average distribution expense of only 3.1 mills per kilowatt hour. This figure, however, includes all the general expenses in distribution, without any allocation to generation. If for this individual plant the same relative allocation is made of the general and miscellaneous expenses as in the preceding average figures, the result is about 2.5 mills per kilowatt hour, which is far less than for any private company in the state, except where the business consists primarily of industrial power.

In line with the low distribution expense, the city of Jamestown has also had the lowest residential rates in the state. The highest bracket during the year 1930 was 4 cents per kilowatt hour, which was reduced to 3.5 cents on March 1, 1931. Incidentally the private company operating within the city has generally followed the municipal rate, and has attempted to compel the city to increase its rates through legal action. Notwithstanding its low rates, the city of Jamestown has provided more than handsomely for depreciation, has amortized the bulk of its investment, and to a large extent has paid for improvements out of earnings.

Dunkirk, the second largest municipal plant, had an average distribution expense of 2.2 mills per kilowatt hour; this includes all the general expenses, so with a due allocation to generation, it would come below 2 mills per kilowatt hour—even a better showing than Jamestown.

The next largest municipal plant is Endicott. Its distribution expenses amounted to 10 mills per kilowatt hour. Freeport comes next, with 14.8 mills; then Rockville Centre, 13.4 mills; Herkimer, 8.2 mills; and Salamanca, 4.4 mills. These figures include, in each instance, all general expenses connected with distribution, and, with proper allocation to generation, would be considerably reduced.

Some of the smaller municipalities have surprisingly low costs. Perhaps a striking feature of municipal distribution is its adaptation to local conditions, keeping costs down to the requirements of the community, and combining various local activities for the sake of economy.

ONTARIO DISTRIBUTION COSTS

Besides the survey of distribution expenses in the state of New York, the Marketing Report of the St. Lawrence Power Development Commission presented also a comparable study for the Ontario municipal systems for cities of 10,000 population and over; altogether 23 municipalities. In every instance the municipalities were concerned only with distribution; they received the current at wholesale cost from the Ontario Hydro-Electric Commission, and distributed it to local consumers. Taking the operating expenses only, excluding depreciation and all fixed charges, the expenses amount on the average to less than 3 mills per kilowatt hour, about the same as for Jamestown. And if depreciation is added, together with interest and sinking fund provisions, the average is 6 mills per kilowatt hour. This covers all distribution costs, compared with 11.5 mills for operating expenses alone for New York State companies.

MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER

Quieting the City's Bedlam.—New York newspapers recently have carried items concerning the investigation, among other things, of the sources of the sustained *fortissimo* which has come to be quite as distinctive a part of the Manhattan reputation as her skyline. A report presented to the league of Swiss municipalities should be very illuminating along this line. Herr Müller, prefect of police at Berne, writing on "*La lutte contre le bruit dans les villes*," in the January issue of *Le Mouvement Communal*, records a number of interesting facts, theories, and remedies regarding the cacophony of modern urbanism.

Herr Müller says that there are three principal sources of noise: (1) Industrial establishments; (2) Residences; (3) Traffic. Concerning industrial establishments, he observes that the noises which they occasion affect largely only the people directly concerned in the fabrication processes. Modern theories of personnel efficiency are rapidly correcting even these noises. Too, the other factors which are tending to remove industry from centers of dense population will, he believes, soon eliminate the noise of industrial establishments as a general social problem.

The "house noises" present a problem which is of rather more importance, and at the same time more difficult of regulation. It is noted that these noises proceed largely from minor sources, in themselves individually unimportant, but in the aggregate enormously irritating. The chief contributions to this type of noise comes from such things as phonographs, loud speakers, carpet-beating, the "brutal" slamming of doors, pianos, the moving of furniture on bare floors, noisy vacuum-cleaners, etc. While the actual reduction of such noises to a minimum must be accomplished by voluntary individual action and social pressure, a restrictive ordinance is important as an incentive to individual self-restraint. Berne, for example, prods the observance of the amenities with a thorough code which prohibits the use of loud-speakers and phonographs before open windows, as well as forbidding their use between certain hours and under certain conditions. Various other activities productive of disturbance are included under this interdiction.

TRAFFIC NOISE ANALYSES

The traffic noises, Herr Müller remarks, are the most important. In illustration of this point he presents the following recapitulation of the noises of Paris and their origins:

NOISE SOURCES BY VOLUME	*Per Cent*
1. Horns and sirens	25
2. Motor and body noises	36
3. Tramways and drays	11
4. Moving of goods, etc.	9
5. Grinding of brakes	2
6. Exhaust of motorcycles	5
7. Miscellaneous noises, such as blows of hammers, cries of infants, etc.	12
	100

These statistics seem to support Herr Müller's indictment of traffic as the arch offender. A further analysis of the defects which produce certain of these noises leads to the following interesting list of conditions which, when remedied, will greatly tend to reduce the total volume of items 2–6 above:

1. The overloading of vehicles and the insufficient fastening of goods.

2. The noise of parts of the vehicle insufficiently fastened or lubricated, such as jangling chains, body squeaks, rattling tailboards and mufflers, etc.

3. Inadequate muffling of motor exhaust, and the free exhaust of motorcycles.

4. The screeching of brakes on vehicles of all descriptions.

5. The unusual noises of tramways, caused by the poor state in which the roadbed is maintained, the screeching of wheels, the constant ringing of bells in fare registration, etc.

6. The rolling of vehicles heavily loaded and badly suspended, particularly along poorly surfaced streets.

Herr Müller's point is that these sources of noise could be eliminated either by specific requirements as to exhaust muffling, vehicle loading and fastening, etc., or by rearrangements in traffic routing which would tend to eliminate the noises due largely to the condition of the streets. It is observed, quite justly, that utilities certainly have no right to maintain their roadbeds and rights of way in such condition as to cause the operation of their carriers to constitute an effective nuisance.

HORNS AND SIRENS

Because he comes from German Switzerland, and because German officials usually think of one thing at a time, Herr Müller has interested himself chiefly in the methods which have been adopted for the elimination of signal noises. He comments upon the enormous increase in the number of motor vehicles, and the significance which this increase has for the noise nuisance of the city. He does not see a curtailment of motor vehicle use short of complete saturation, which is the state commonly attributed abroad to America.

The important thing in the reduction of signal noises, we are reminded, is the provision of rational traffic circulation and uniform regulations regarding the right of way, etc. It is upon the basis of such regulations that the European cities have proceeded with their programs of noise abatement. This, insists Herr Müller, is the first step, before which little can be accomplished.

In reviewing cases of cities which, upon the substructure of a well-developed system of traffic circulation, have gone ahead in restricting the use of signals, the action of the prefect of police for the Seine is cited. In 1928 the prefect of police issued an order that between the hours of 1 and 5 in the morning, all drivers should reduce their speed sufficiently to eliminate the need for signalling at any intersection. It should be remembered that such a regulation doubtless affects more people in Paris than it would in Zion City, relatively speaking. Subsequent regulation has been introduced which is designed to discourage the use of signals even during the day. In Finland, Åbo and Helsingfors completely prohibit the use of horns and sirens on all occasions, except where collision or accident is imminent. Even here the signal must be brief. The discretion of the police determines the imminence of the accident and the appropriateness of the signal. Stockholm and Oslo have long had restrictions of this sort, which Herr Müller considers extremely effective. The traffic circulation is so well regulated, in fact, that he was able to drive through the most congested portion of Stockholm at a moderately rapid speed, without halting and without once having the occasion to sound his horn. Berne and Bâleville both have regulations which apply not only to horns, but to any noisy vehicles, regulating their use particularly at night.

Generally speaking, the European judiciary has gone very slowly in lending its support to these measures. It has minced along with much the same attitude which American courts have taken toward æsthetic zoning. The German courts have been the most liberal. In 1928 the Celle *Oberlandesgericht* (provincial appellate court) pronounced sustained and unnecessary honking an actionable offense, although its decision was given upon the basis of another cause of action. The Hanseatische *Oberlandesgericht*, under virtually the same circumstances, indicated that, except in moments of danger, loud and prolonged honking may be actionable. It remained for the Preussisches *Kammergericht* (superior court) in May, 1930, first to sentence an operator for this offense. The court said, in part, "By the terms of par. 19, art. 3, of the uniform road traffic code, the auditory signals are required to be brief and confined solely to occasions when pedestrians or others come within, or appear inevitably to be coming within, the danger zone of the vehicle having the right of way. Even here the signals must be very brief, nor may they be repeated at intervals so short as to be objectionable to persons not concerned with the clearance of passage for the vehicle." This is in many respects the most liberal judicial statement on the subject which has appeared.

All this, of course, pertains only to the sources of about a quarter of the noise. We may well expect, however, that in their own good time European cities will get around to the remaining problems. Meanwhile, the accomplishments in Paris and Berlin, meager as their efforts have been, are decidedly noticeable. Upon commenting in this vein, the present writer was reminded by a Parisian that, "*En Paris le gendarmerie sont très influent.*" Here, of course, is to be found part of our problem. The fact remains that the administrative officials are lacking in statutory mandate to exercise effective control over the increasingly critical problem of noise in our great cities.

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An Administrative Court for Belgium.—One of the primary criticisms which have been directed against Belgian government and administration by students of constitutional government is the complete lack of administrative courts or any special provisions for the enforcement of administrative justice.[1] M. Paul Berryer in the course of the debate on the budget of the department of justice in 1910 summarized conditions in the following terms: "The absence of a well-organized administrative court has betrayed very frequently, by the inevitable continuance of an erroneous decision definitive of interests and rights, popular respect for even the proper powers appurtenant to administrative authorities, as well as to judicial tribunals. The present condition ends in grave decisions being decided by arbitrary methods which go unquestioned, without possible recourse, pronounced without debate, without contradiction, without guaranties of procedure, and, in more than one case, in a veritable denial of justice." The present writer recalls also a brilliant lecture delivered at the University of Michigan by Dr. Adolphe van Glabbeke, *avocat*, of Brussels, who recounted with considerable feeling certain miscarriages of justice incident to the lack of administrative tribunals of appropriate jurisdiction.

In this connection a bill introduced in the *Chambre des Représentants* (Document No. 243) by M. *le comte* H. Carton de Wiart, and summarized in the March issue of the *Revue Internationale des Sciences Administratives*, should be of some interest. This bill provides for the establishment of a *Cour administratif* similar in many respects to the French *Consiel d'Etat*, with extremely broad powers in the enforcement of administrative justice.

JURISDICTION

The jurisdiction of the proposed administrative court extends to the following classes of controversies:

1. Actions for reparation of damages caused by acts or negligences of administrative authorities.
2. Demands for the annulment of *ultra vires* acts, and the prescription of the limits of authority of agencies alleged to be acting in excess of, or under false construction of, their statutory mandate.
3. Conflicts of jurisdiction between different administrative authorities.
4. Decision in certain types of matters which are proposed to be referred to the court by specific legislation.

The question of the responsibility of public authorities for wrongs committed in the performance of their functions has been the subject of much discussion in recent sessions of the Court of Cassation, in the course of decisions relative to the powers of inferior administrative tribunals to determine the modes and limitations of administrative action. The text of the organic law in many cases appears to reserve to the administrative organ itself, within certain very broad limitations, the authority to estimate and determine the scope of its own power. In the light of such statutory prescriptions, the courts have repeatedly refused to assume their own competence to review, and have declined to give relief to offended litigants. In cases of this sort it is proposed that the administrative court be given complete and exclusive power in the application of the statutes defining and granting administrative authority.

In conformity with Article 106 of the Constitution, it is proposed that in certain instances the decision of the administrative court be subject to review. This would be true in practically all cases not turning upon the competence of an administrative authority. The Court of Cassation must also resolve jurisdictional conflicts between the administrative court and regular judiciary. It is provided further that the decisions of the court shall constitute precedent for subsequent administrative action, violation of which may entail summary discipline. This is a marked departure from extant practice. As Professor Reed says: "Not only do the courts have no power to enjoin the commission of illegal acts, but the decision of even the Court of Cassation does not constitute a binding precedent for other cases."

Within the limits noted above, the law contemplates that the administrative court judge law, facts, and even, one gathers, to a certain degree make law, in the remedial actions plead before it. It is thought to be particularly efficacious in the more complete disjunction of *actes d'autoritè*, which give rise to no actionable charges, and *actes de gestion*, for torts committed in the pursuance of which recompense may be secured.

With reference to the second type of cases amenable to the administrative court, it should be noted that the court's jurisdiction is much more extensive than the simple annulment or enjoinment of illegal acts. In employing the words "*détournement de pouvoir*," the act refers directly to terminology adopted in this matter by the Council of State in France. The text proposes that the administrative court be permitted not only to annul or enjoin the act which constitutes within itself a veritable excess of power, by which the essential formalities are not observed or by which the law is violated or falsely interpreted, but also to delimit the power of the authority alleged to be seeking illegally to act to the confines of the authority conferred upon it. The court may, in other words, go beyond the simple negation of a power sought to be exercised, and positively establish the jurisdictional limitations of the agency before it; since the court may really go beyond the points essential to the settlement of the case, this constitutes a sort of legalized *obiter dicta.*

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[1] Among these are Edouard Picard, Louis André, René Marcq, and Maurice Bourquin. Professor Thomas H. Reed's *Government and Politics of Belgium*, the standard work on Belgian government and administration, treats this point with great clarity in Chapter VII, particularly page 108 *et seq.* See also Errera, P., *Traité de Droit Publique Belge, passim.*

The question of intra-administrative conflicts is, according to M. *le comte*, an important one in Belgium at the present time. Not only do such conflicts result in the exact duplication of activities between several agencies, but in the complete neglect of many functions with which cognate agencies do not wish to be burdened. The law resolves these difficulties in only a very limited number of instances. In order to secure decision upon the basis of a comprehensive and thorough knowledge of the administrative machinery as a whole, and to safeguard the prestige of the public service, it is suggested that the administrative court be fully empowered to pass upon these questions.

The legislature has long been cognizant, says M. *le comte*, of the desirability of entrusting decision in certain types of questions to an independent administrative tribunal. It is believed that the creation of an administrative court would serve to consolidate and coördinate related decisions in these matters, which are at present scattered among the government, the permanent deputations, as well as certain special agencies, such as the Council of Mines.

ORGANIZATION

The selection of the court's personnel is, by the act, entrusted to the government. All nominees are, however, required to have juristic training and proved judicial capacity. The court is to be divided into two divisions, the permanent and temporary sections. It is proposed that the permanent membership be selected for life tenure, and that a representative of the administrative branch of the government be included in the permanent section. Beyond this limitation the court may divide itself into two or more committees, consisting of not more than five counselors each, provided, however, that the representative of the administration sit on all cases involving actual administrative organization and functioning.

In imitation of French practice, an *auditorat* also is proposed to be created. The object of having auditors is dual: it is considered as one of the most effective ways of securing satisfactory recruitment of the court; secondarily, the handling of the recording and digesting functions of such a tribunal are contemplated to be handled by these judicial apprentices, inasmuch as the volume of this work, as well as its importance, is judged to require more skill and care than that of an ordinary court.

PROCEDURE

The proposal "unites the utmost simplicity of procedure with the guaranties necessary for the judgment of the most delicate affairs." As in courts of first instance, original action may be without the intervention of lawyers. With this exception, the details of procedure are provided to be in conformity with the code of civil procedure. The exclusive use of the procedural rules dictated by the nature of the case appearing for judgment is explained by the delicacy of the matters upon which the court must pass. This procedure is thoroughly discredited in the appellate civil jurisdictions. Here, however, the court must in large part make the law, and it is of the utmost importance that all possible methods be used in securing complete knowledge. The court is without the aid of the doctrinal works and decisions which facilitate the rôle of the judge in civil appellate judgment. Lacking not only the substantive law but also the established procedural refinements, M. *le comte* feels that all of the amenities of the civil procedural code should be observed in the interest both of litigants and the body of law which the administrative court must evolve.

The creation of an institution of this character, concludes M. Carton de Wiart, is entirely in accord with the spirit and the text of the Belgian constitution.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY RUSSELL FORBES

Secretary

Recent Reports of Research Agencies.—The following reports have been received at the central library of the Association since March 1, 1931:

Detroit Bureau of Governmental Research:
- *A Proposal for an Administrative Assistant to the Mayor*
- *The Form of Government in 288 American Cities*

Buffalo Municipal Research Bureau:
- *Report of the Buffalo School Survey*

Bureau of Budget and Efficiency, City of Los Angeles:
- *Discussion of Certain Municipal Problems by Roy A. Knox*

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California Taxpayers' Association.—The Association's report on the Pasadena city schools has been completed and will be in the hands of the printer in another two or three weeks.

In coöperation with the state department of welfare, the California Taxpayers' Association is devising a system of hospital accounting which can be made uniform in all county hospitals. The work will eventually be centralized with the state, so that comparable data can be compiled.

The Association has started a study of the cost of street lighting in the city of Los Angeles. The objectives of this study are to determine, first, the installation cost, and, second, the annual operation and maintenance cost. The costs are to be placed on a unit basis, covering the charges per front foot, per lumen of light intensity, and per foot of center line street.

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Bureau of Governmental Research, Chattanooga Chamber of Commerce.—The Bureau made a survey of the organization and business procedure of the Hamilton County highway department and submitted a report recommending a thoroughgoing reorganization, the installation of modern financial and business procedure, the establishment of long-term physical and financial planning, and adequate records to permit effective control over departmental operations.

Upon request of the taxation committee of the Chamber of Commerce, the Bureau has drafted a bill to abolish the county highway commission of three citizens and the office of county engineer, and to substitute a single administrative head, known as the commissioner of highways, to be chosen by the county court. Many of the administrative and financial provisions of the *Model City Charter* have been inclined in the act, so far as the limitations of the state constitution would permit.

Several months ago, the mayor proposed the establishment of centralized purchasing for the city government. The Bureau has endorsed this proposal and has drafted a proposed charter amendment.

Chattanooga and St. Paul, Minnesota, are the only large cities which do not have boards of education. In both cities, the schools are managed by a single commissioner of education who is one of the elective city commissioners. The education committee of the Chamber of Commerce has initiated a movement to establish a board of education as recommended in the Strayer-Engelhardt survey report of 1929. The Bureau assisted the committee in drafting a charter amendment and submitted a report discussing the advantages and disadvantages of establishing such a board. The committee has adopted the Bureau's recommendation that tax levying and debt incurring powers be retained in the hands of the city commission.

During recent months, the Bureau has been discussing with city financial officials ways and means of modernizing the city's accounting system which has remained largely unchanged since the adoption of the present charter in 1911. A report has been submitted to the mayor outlining the Bureau's recommendations.

The Bureau was active in the movement which resulted in the establishment of a State Taxpayers' Association at Nashville in November.

A survey of the costs and financial needs of the children's hospital is now under way.

Four proposed street widening and extension projects and a proposed viaduct, involving considerable expense, have been discussed during recent months. The Bureau has analyzed these projects in the light of existing commitments along other lines and the probable effect of all of these outlays upon the coming tax rate.

At the request of the state senator from Hamilton County, the Bureau is assisting in drafting an act which would substitute a standard county financial procedure for the host of special acts governing minor county matters which now clutter up every legislative session. The proportion of special acts is said to be larger in Tennessee than in any other state. The Bureau is also assisting in drafting an act to permit county aid for city street improvements.

Tennessee constitution is regarded as one of the most rigid in its provisions relating to county government. It is also one of the most difficult to amend. It has long been supposed that the county court system of county government, by which the elective justices of the peace constitute the county legislative body, was so firmly embedded in the constitution that any modernization of county administration was entirely out of the question. It now appears that things are by no means as hopeless as had been supposed. Following a study of supreme court decisions and a visit to Shelby County (Memphis), where modified commission government has been in effect since 1911, the Bureau's director prepared a report describing the Shelby County form of government and showing the changes which can be made under the present constitution.

At the request of the mayor, the Bureau submitted a preliminary report on new sources of city revenue.

During the next few months, the Bureau expects to concentrate on the debt policies and sinking fund administration of the city and county. Figures developed last year for the Bureau by the actuarial department of the Provident Life Insurance Company show that the county sinking fund has an actuarial deficiency of approximately $1,500,000 and the city sinking fund has an actuarial deficiency of approximately $2,000,000. Unwise and unsound debt policies in the past have produced a situation which will make future city and county financing very difficult. The Bureau is working on a plan for amortizing the existing debt with a minimum refunding.

The increasingly heavy debt charges which the city must bear in future years for bonds already issued, together with the present agitation for bond issues for further improvements running into considerable expense, has led the Bureau to urge the adoption of a ten-year development program as the only hope for meeting debt charges and providing necessary capital outlays at a price the taxpayers can afford to pay. This proposal has found favor with officials, newspapers, and citizen groups, and preliminary steps have already been taken to develop such a program.

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The Taxpayers' Association of New Mexico.—The Association has employed H. L. Sawyers as its representative to attend the school budget hearings in the various counties and municipalities of the state. Mr. Sawyers was formerly treasurer of one of the principal counties of the state and for a time was employed as an auditor by the state comptroller. During the months of April and May the educational budget auditor visits all the counties and, with two commissioners selected locally, directs the working out of the school budgets for the various rural and municipal districts of the county. Mr. Sawyers accompanies the educational budget auditor and assists him during the hearing on budgets presented by local school authorities.

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The Schenectady Bureau of Municipal Research.—The Bureau is beginning a study of the compatibility or incompatibility of a proposed sixty-five per cent increase in Schenectady's sewerage facilities with the present over-developed status of real estate. It is also beginning a study of the proposed increase in the number of wells for water supply, a project brought to the fore by the recent drought, and is developing plans to bring about adoption by the city of steps recommended in several of the past reports of the Bureau.

NOTES AND EVENTS

EDITED BY H. W. DODDS

Chicago's New Deal in Municipal Affairs.—On April 7 "Thompsonism," actually and literally, was routed from Chicago when Chicago elected Anton J. Cermak, Democrat, mayor over Big Bill, Republican, by the vote of 671,189 to 476,932. Within 48 hours, Cermak was sworn in and had ousted from city hall 3,000 Republican temporary political payrollers. Cermak's majority of 194,257 votes is the largest ever received by a mayoralty candidate here. Eighty-two per cent of the registered vote was cast, and in a sense this figure is an index of popular interest in the outcome of the contest. Women cast 40.5 per cent of the vote.

Big Bill played practically a lone hand. Most of the Republican factional leaders, who opposed him in the February 24 primary, had deserted his ship. He changed his jackass and halter acts of the primary for a campaign of vilification and quarter-truths The *Tribune* was his especial animadversion. While his audiences laughed at his jibes and applauded his assertive claims of returning prosperity, his arguments sounded stale and failed to rally the divided Republican camp.

Cermak's campaign, on the other hand, characterizes the man and his record rise from push-cart peddler to mayor and from precinct worker to Democratic leader. His campaign was elaborately planned and was systematically executed. His keynote was his accomplishments as president for eight years of the Cook County board of commissioners. Personal recrimination was studiously avoided. The mayor's imputations were indignantly denied. Reiterated promises of reform—a non-political civil service commission, cleaning up the police department, a non-political school board, simplification of local governments, more service for less cost, etc.,—were in striking contrast to Big Bill's specious assertions. Cermak had the active support of united Democracy; and the active coöperation of independent Republicans such as Professor Charles E. Merriam, and specialized independents such as Dr. Graham Taylor. Thousands of Republicans voted for him as the only way to rid the city of the Big Bill incubus. The press gave Cermak vigorous support. The *Tribune* and *News* outwardly boosted him, while the others, more or less committed to Big Bill, took a cue from the straw vote and more and more as election day neared played up the Cermak angle.

Cermak's supporters expect him "to deliver." His training of twenty-eight years in the local school of practical politics gives him a firm grasp on the situation, both as to party organization and as to public opinion. In the county he made wide use of advisory commissions. For example, he appointed the Joint Commission on Real Estate Valuation which engineered the now-famous reassessment of 1928. Similar groups advised concerning the bureau of public welfare, and the forest preserves and other departments. He has promised to utilize similar bodies in the city activities. His non-party backers believe that his practical political sense will force him to carry through on promises constantly reiterated before and after election in speeches, press, radio and sound movies. In a sense, Mayor Cermak starts from scratch. He has four years in which to make good.

Edward M. Martin.

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Schools an Issue in St. Paul Election.—The school bond issue and amendment to the St. Paul charter to set up a public school budget committee were defeated on April 7. These were hooked together as one item on which to vote "yes" or "no." Thirteen thousand six hundred and twenty-two votes were cast for the amendment and 23,226 against, the total vote being 36,848 out of 95,041 registered and eligible to vote. The amendment lost in every one of the twelve wards.

The bond issue provided $975,000 for new buildings and additions to bring the school plant up to date. The charter amendment placed state aid outside the $30 per capita limitation on indebtedness—state aid amounting to $450,000, and added $1 per capita to the $30 limitation, or $280,000 annually, to be used for new buildings and additions in the future. The amendment also changed the method of computing population by backing it up one year, thus making $110,000 available next year in addition to the $110,000 available each year under the old charter provision.

The per capita gain each year is based on one-tenth of the gain in population as determined by the U. S. Census of 1920 and 1930. The charter amendment would have provided that a sum not to exceed $16.40 per capita should cover the total cost of government exclusive of the cost of public schools and libraries, thus leaving $14.60 for schools and libraries.

The program was lost because it was a program developed wholly under political leadership. The idea started about a year ago when a fire occurred in one of our frame portable school houses. No lives were lost, but the idea was developed that an emergency existed and that the portables must immediately be replaced by permanent structures. Coupled with this was the idea that as St. Paul's school plant was increasing in size, adequate provision was not being made for its maintenance or equipment, or the additional teachers required, under charter limitations, and it was decided to add $1 to the per capita limitation.

The thought was also developed that St. Paul schools were controlled by one man, the commissioner of education. It was said that there should be a school board of citizens to control the school budget. There were political objections to this and the final amendment submitted by the charter commission provided for a budget committee consisting of the mayor, city comptroller and commissioner of finance. It was apparent, through all the discussions, that the school teachers federation preferred political control to so-called citizens control, and while the officials of the Parent-Teachers' Associations recommended the program, the members of the Parent-Teachers' Associations voted against it.

The legislature is in session and will pass a metropolitan sewerage bill adding considerable to the taxation of the metropolitan district of which St. Paul and Minneapolis must bear the greater burden.

There are many who believe that there should be no tinkering with the present charter, which is the commission form of government, but that there should be a new charter of the council-manager type.

George H. Herrold.

Hard Winter for Pasadena Civic Groups.—Pasadena, California, will soon hold an election in order to choose four city directors for terms which have just expired. The extreme difficulty with which candidates have been induced to run for office in this seat of culture and civic pride has proved dismaying to those who have been the backbone of the city manager support. On the last day for filing nominating petitions it appeared that none of the incumbents chose to compete for another four years; that no petition had been filed before the closing day, and then only eight candidates made their appearance; and to cap the climax the members of the Citizens' Committee, which had been charged with the responsibility of inducing outstanding men to enter the race, announced that they had been unable to formulate a ticket and hence would make no further effort in the campaign. James T. Jenkins, the incumbent labor organization member who has been regarded as the most valuable man on the board of seven directors, announced at the last moment that he would not run.

Such a situation appears inexplicable, considering the reputation Pasadena holds as a mecca for retired, educated, public-spirited citizens. But upon analysis the factors which cause this political dullness will appear. The most important deterrent to the best men's participation is the vivid memory of the storm which drove out of office the first board which was elected after the installation of the manager plan. The East side beset the wealthier West side, and this division has by no means healed yet. Moreover, one of the local newspapers has kept up a constant criticism of the more affluent board members, chilling the ardor of their civic reform. The women are organized into a Civic League five hundred strong, but the men have no permanent organization. There is talk of pluming a woman candidate for the following election, although anti-feminism seems to be unusually strong in Pasadena. Pasadena does not have a mayor. The creation of this position, and the election of a popular citizen to fill it, might conceivably arouse more popular interest.

This lull will probably not last long. There is talk of metropolitan-county organization in Los Angeles, and Pasadena, only fifteen miles away, would be bound to assume a defensive position. Pasadena is also a member of the metropolitan water district, and must face the problem of dividing Colorado River waters. Before long the men will have to become more thick-skinned and grin at criticism or else they will see the women copping their share of the legislative posts. Perhaps they will anyway!

MARSHALL E. DIMOCK.

*

New Jersey's Proposal for Municipal Receiverships.— A drastic bill to control municipal defaults on bonded indebtedness has been introduced into the New Jersey legislature upon the recommendation of the Commission to Investigate County and Municipal Taxation and Expenditures. It has attracted the opposition of the State League of Municipalities and its passage is still in doubt, although influential forces have rallied to its support.

Under its provisions as introduced a holder of bonds upon which the municipality has defaulted as to principal or interest may apply to a justice of the supreme court for an order establishing a municipal finance commission with powers tantamount to those of a receiver of a bankrupt concern. The state commissioner of municipal accounts may also direct a similar petition to a justice of the supreme court with respect to any municipality in default.

Once the municipal finance commission has been established by order of the court, it shall have power to appoint an auditor of accounts of the defaulting municipality. The governing body of such municipality cannot thereafter issue bonds or notes nor create an indebtedness without the consent of the commission. The annual budget and tax ordinance of the municipality in default shall be prepared by the auditor appointed by the commission, and no items may be included except such as are approved by the commission. Ordinances providing for the funding or refunding of indebtedness which is due or about to be due will be prepared by the commission for adoption by the governing body of the municipality.

The bill was called forth by the serious financial situation in North Bergen township which faces default on certain of its bonds. It is felt that legislation permitting such a municipality to refund its obligations free from existing limitations in the bond law would be useless and dangerous in that it would permit the municipality to become further involved, perhaps beyond the point where liquidation in full would not be possible. The commission would have no power to order new expenditures and would be confined to using the existing assets of the municipality.

Opponents have declared the bill unconstitutional in that it has delegated the power of taxation to a non-elective commission. A leading precedent supporting the opponents is the so-called Van Cleeve case, which declared void the act originally establishing Passaic Valley Sewage Commission and delegating to such commission the power to tax for sewer purposes.

*

The Cost of County Government in California.—For some time California has witnessed a steady upward trend in the expenses of county government. The past year presents no marked exception to this general tendency.

The total receipts of the fifty-seven counties (San Francisco is classed as a municipality) increased from $52,000,000 in 1912 to $356,000,000 in 1929.

Last year the property tax represented $105,000,000 or 30 per cent of these receipts. Agency transaction, district, municipal and state, totaled $94,000,000, $55,000,000 and $11,000,000 respectively. Fees, fines and penalties netted $5,000,000; licenses and permits $167,000. There was received from subventions and grants $39,000,000; from gifts and donations $92,000; from privileges $432,000; from rents $133,000; and from interest on investments $3,000,000. Receipts from the sale of bonds exceeded $18,000,000, and from the sale of property $1,000,000. Special service rendered by the counties added to their treasuries $2,000,000; trust funds and accounts $16,000,000; and miscellaneous $3,000,000.

County payments increased from $49,000,000 in 1912 to $343,000,000 in 1929.

EDUCATION MORE THAN ONE-THIRD OF THE WHOLE

The largest single item of expenditure shown by the counties for the fiscal year ending June 30, 1929—as in previous years—was for education, which represented $128,000,000 or 37 per cent of the total disbursements. Of this sum, $67,000,000 was expended for elementary schools and $57,000,000 for high schools. The third largest item of the educational expenditures was county libraries. The fact that more than $1,500,000 was appropriated for this purpose is an evidence of the fact that the maintenance of libraries is becoming more and more an important function of county government.

One-third of the counties spent more than

$1,000,000 for education. The appropriations of thirty-three others exceeded $100,000; while three spent less than $50,000.

There was expended for highways and bridges $26,000,000. Los Angeles county alone spent $7,000,000. The appropriations of three other counties—Alameda, San Diego and San Joaquin—exceeded $1,000,000. The disbursements of thirty-eight of the remaining counties exceeded $100,000. One county spent less than $10,000.

The cost of general government amounted to $18,000,000. One-fourth of this expenditure is listed under financial offices. The legislative offices cost $2,750,000; the law offices $1,725,000; other general executive offices $1,965,000; judicial offices $2,585,000; elections $1,685,000; government buildings and outlays $2,900,000.

Agency transactions, municipal, district and state, cost $55,000,000, $13,000,000 and $11,000,000 respectively. There was expended for charities and corrections $22,000,000; for protection to person and property $14,000,000; for conservation of health $4,000,000; for miscellaneous $3,000,000; for recreation nearly $2,000,000 and for sanitation $160,000.

Sixteen of the fifty-seven counties list no disbursements for recreation. Seven counties spent less than $1,000; while seventeen counties spent in excess of $10,000.

Only twenty-two of California's counties made appropriations for sanitation and the promotion of cleanliness. These appropriations varied from $5 in three counties to $100,000 in Los Angeles County.

There was appropriated for the trust fund $15,000,000. The payment of interest amounted to nearly another $15,000,000; and redemption of debt $13,000,000.

BONDED DEBT INCREASE

The bonded indebtedness of California's counties increased from $30,000,000 in 1912 to $300,000,000 in 1929. This is a ten-fold increase in a period of seventeen years. The time of most rapid increase was from 1920 to 1925. In 1920 the bonded debt was $96,000,000. By 1925 it was $227,000,000. It is gratifying to notice that during the past year the rate of increase in the bonded debt has lessened considerably.

During these same years the assessed valuation of county property increased less than four-fold. In 1912 the assessed valuation was $1,963,000,000. By 1912 it was $7,358,000,000. During the year 1929 the total assessed valuation increased 23 per cent, as compared with the 5 per cent increase during the previous year. This is the largest increase recorded in the history of the state.

The inside county tax rate for the year varied from $1.30 in Kern County to $2.97 in Marin and Tuolumme counties. The minimum outside rate of $1.50 was also in Kern county. Santa Cruz County had the maximum rate of $3.85.

The foregoing figures are sufficient to show that there are extreme inequalities in the standard of government service and tax burdens in California's counties.

Frances N. Ahl.

Glendale, California.

*

Extends Hope for a Quiet City.—Although city noises are driving thousands of persons to neurologists, the prospect for silent riveting machines, more melodious auto horns, quieter subways and "sound ventilators" for windows are such that in ten years this city will be a fairly comfortable and harmless place to live in as far as sounds are concerned, Edward F. Brown, director of the New York noise abatement commission, declared recently in an address at the Women's City Club, of New York.

As a result of consultation with auto-horn manufacturers, only 7 per cent of horns now manufactured are objectionable, compared with 95 per cent a year ago, Mr. Brown said. He predicted that a silencer for riveting machines would be on the market in a year. Sound ventilators to keep noise out of open windows will come in time, he said, and subways hereafter built not only will have noiseless turnstiles, but their roadbeds and tracks will cause less racket.

Unemployed men have been used to canvass radio shops with outdoor loudspeakers, and 95 per cent of these have been quieted, Mr. Brown declared. A merely "educational campaign" would not suffice to curb loud radios in homes, he said.

*

Mayor Urges Novel City Manager Plan.—In a special message to the city council of Jamestown, New York, Mayor Samuel L. Carlson, one of the champion long distance mayors of the United States, urged that the city amend its charter to provide for the manager plan. His proposal, however, varies somewhat from the

Model Charter of the National Municipal League in that he would have the manager appointed by the mayor and confirmed by the council.

Mayor Carlson further recommended that the plan of electing the councilmen by wards be abolished in favor of election from the city at large. All candidates who receive more than 20 per cent of the total vote from the city at large would be declared elected and each voter would have the privilege of voting for three candidates. By this method, Mayor Carlson argues, a majority representation based on division of public opinion would be attained in place of a minority representation based on geographical ward division. The present system really results in government by minority, although it purports to be majority rule.

According to press announcements, committees from the Chamber of Commerce, labor unions and civic organizations will be asked to meet with the city council to consider the above proposals.

*

Two Training Schools for New York Municipal Officials.—The New York State Conference of Mayors held its first school for city and village assessors January 28, 29 and 30 at the new state office building in Albany. The school was under the joint direction of the Conference of Mayors and the New York state department of taxation and finance. There were seventy-eight in attendance, representing forty-four municipalities. Of this number forty were assessors while the remaining members of the class held positions ranging from clerk of the village board to mayor of a city.

The lecturers were drawn primarily from the staff of the state tax commission. The program included lectures, discussion and questions from the chairmen.

During the same month a school for sewage works operators was held at Union College, Schenectady, January 26–31. It was attended by twenty-three men from as many cities. The New York State Conference of Mayors, the New York State Sewage Works Operators and the state department of health were the sponsors. The latter supplied most of the speakers.

Certificates of attendance were awarded to all those who attended the schools.

Morton D. Weiss.

*

Volunteer Firemen's School.—A unique training school for governmental servants was that conducted last winter in Baltimore by the Fire Insurance Salvage Corps under Chief Edward H. Warr. The students were the volunteer firemen who came from all counties of the state to Baltimore each Thursday evening to attend lectures on fire prevention, fire fighting, life saving and salvage work. The idea of the school came from Chief Warr's realization of the lack of coöperation among volunteer fire companies and the absence of a proper knowledge of fire inspection work. The school is a permanent organization and will reopen next fall with a new class for beginners and an advanced course for this year's graduates. Chief Warr's school has no connection with the Baltimore City Fire Department.

*

Probabilities of Tax Revision in Present Session of Ohio Legislature.—As this copy of the Review goes to press, indications are that the Ohio legislature will not adopt the comprehensive tax law revision now possible since the repeal of the constitutional uniform classification provision in November, 1929. Readers will recall that, following the adoption of this amendment, Governor Cooper created a citizens' committee to aid in formulating plans for tax revision. The sub-committee on research of the Governor's Taxation Committee has published five preliminary reports on such topics as, personal income taxes, low-rate taxes on intangibles, business tax, etc. Other studies are in process.

The legislature plans to recess on April 10 and to reconvene on April 27 for the consideration of tax legislation. At this time the special taxation committee of the legislature will probably report measures covering three specific types of tax legislation as follows: (1) classification tax on intangibles, (2) income tax, and (3) sales tax. But the legislature is expected to adopt only those relating to classified taxes on intangibles.

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CONTENTS

EDITORIAL COMMENT . . . . *H. W. Dodds* 315
HEADLINES . . . . *Howard P. Jones* . . 319
JUBILEE IN CHICAGO . . . . *Carroll H. Wooddy*. 321
SOME NOTABLE STATE BUDGET DOCUMENTS OF 1931 . . *A. E. Buck* 325
NORTH CAROLINA'S NEW PLAN FOR CONTROLLING LOCAL FISCAL AFFAIRS . . . . *Chester B. Masslich* 328
THE POLITICAL SABOTAGE OF THE CLEVELAND MUNICIPAL LIGHT PLANT . . . . *R. Husselman* 334
WASHINGTON'S PUBLIC OWNERSHIP DISTRICT POWER LAW . . . . *James K. Hall* 342
THE BONDED DEBT OF 257 CITIES AS AT JANUARY 1, 1931 . . . . *C. E. Rightor* 349

DEPARTMENTS

I. Recent Books Reviewed 362
II. Judicial Decisions . . . . *Edited by C. W. Tooke* 368
III. Public Utilities . . . . *Edited by John Bauer* 372
IV. Municipal Activities Abroad . . . . *Edited by Rowland A. Egger* 376
V. Governmental Research Association Notes . . . . *Edited by Russell Forbes* 379
VI. Notes and Events . . . . *Edited by H. W. Dodds* 383

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THE LEAGUE'S BUSINESS

Thirty-seventh Annual Meeting.—The tentative program for our thirty-seventh annual meeting has been formulated by the program committee headed by Harry H. Freeman, director of the Buffalo Municipal Research Bureau. The meeting will be held at the Hotel Statler, Buffalo, on November 9, 10 and 11 and will be a joint meeting of the National Municipal League, Governmental Research Association, National Association of Civil Secretaries, Proportional Representation League, and possibly of the American Legislators' Association. As in previous years, the meeting will be known as the National Conference on Government.

The tentative program will be distributed in the early autumn. In the meantime, make your plans now to attend the Buffalo convention.

◆

League Represented at Senate Committee Hearing.—Albert S. Bard, vice-president of the Honest Ballot Association and a leader of the Citizens' Union of New York, represented the National Municipal League at a recent hearing of the Select Committee on Senatorial Campaign Expenditures in Washington, D. C. Senator Gerald P. Nye, chairman of this committee, has spoken in most favorable terms of the services rendered by Mr. Bard as our representative.

◆

Judges for the Annual Baldwin Prize Contest.—The following have consented to serve as judges of this year's Baldwin prize contest: Professor Jack Salter, University of Wisconsin; Clarence G. Shenton, Philadelphia Bureau of Municipal Research; and George D. Carrington, attorney at law, New York City. As we go to press a total of fifteen essays have been received in competition. Announcement of the award will be made on this page in a later issue.

◆

Committee on County Government.—As previously announced on this page, the National Municipal League is creating new work committees on: Model Corrupt Practices Law; Developments in Municipal Home Rule; Model Special Assessments Law; Selection of Judiciary; and County Government. The committee on county government has already been appointed, with the following personnel:

John A. Fairlie, University of Illinois, *chairman;* Frank Bane, Commissioner of Public Welfare, State of Virginia; Arthur W. Bromage, University of Michigan; Edwin A. Cottrell, Leland Stanford University; James W. Errant, University of Oklahoma; Mrs. Walter S. Greenough, Indianapolis; Luther Gulick, National Institute of Public Administration; A. R. Hatton, Northwestern University; Howard P. Jones, National Municipal League; Wylie Kilpatrick, New Jersey State League of Municipalities; Walter F. Kirk, master, Ohio State Grange; Theodore B. Manny, U. S. Department of Agriculture; Kirk H. Porter, University of Iowa; Hugh Reid, attorney at law, Washington, D. C.; C. E. Rightor, Detroit Bureau of Governmental Research; C. P. Taft, 2nd, Cincinnati; Robert H. Tucker, *chairman,* Commission on County Government, Washington and Lee University, Lexington, Virginia; Paul W. Wager, University of North Carolina.

The committee will await the return of Professor Fairlie, its chairman, from his trip to Europe before formulating its program and undertaking its work.

Russell Forbes, *Secretary.*

NATIONAL MUNICIPAL REVIEW

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EDITORIAL COMMENT

One of the first official acts of the new Dallas city manager government was to select John N. Edy of Flint, Michigan, as manager. This appointment marks the culmination of the long effort to secure the manager plan for Dallas. At the election on April 7 the complete ticket of the Citizens' Charter Association (the city manager group) was elected to council. In such a council and such a manager Dallas may properly take pride.

*

The city commission of Jacksonville, Florida, will no longer entertain at public expense the Imperial Council of the Ancient Arabic Shrine, the Order of Railway Conductors of America, the Benevolent and Protective Order of Elks and similar bodies. The state Supreme Court has ruled that entertainment expenses paid from proceeds of an advertising tax are an improper use of public funds since such a tax is not for a municipal purpose within the meaning of Florida law.

*

William P. Lovett, secretary of the Detroit Citizens' League, writes us to protest that the brief note in the April REVIEW referring to the League's disappointment at the record of Mayor Murphy, successor to Mayor Bowles, recalled, no longer expresses the attitude of the Citizens' League. Mr. Lovett points out that while the League did make criticism of the first three months of Mayor Murphy's term, the mayor has since initiated radical and commendable changes in program and policy. His administration has recently been distinguished by some excellent appointments to his cabinet. After six months in office, it now appears evident that Mayor Murphy has endeavored to strike a happy medium between administration and politics such as the present strong-mayor charter of Detroit seems to demand in the mayor's office.

*

Mayor Cermak's Possibilities

Mr. Wooddy's lively description in this issue of the defeat of Thompson in Chicago is prefaced by a news item that May 10 opened Jubilee Week in the Windy City. The city joined in a "little world's fair" to announce that Chicago citizens are possessed of a new optimism; that "the city is now a safe place to visit—and buy goods in."

As everyone knows, Cermak, a Democrat, was elected with the support of Republicans and Independents. Whatever the future may reveal, his career as head of the Cook County Board evidenced an understanding of the principles of public administration. Naturally he is a politician and the extent to which these principles will be applied in the city government remains to be seen; but the people who voted for him are hopeful that a new day has come in Chicago civic affairs.

We are indebted to Louis Brownlow for a copy of Mayor Cermak's inaugural address. The Mayor's recommendations call for a consolidation of the present 32 separate administrative departments; revised specifications for municipal contracts and improved central purchasing; complete reclassification of the civil service with restrictions upon temporary appointees; installation of modern labor-saving devices in office work; and simplified reporting of municipal activities and finances.

Another hopeful sign is the engagement of J. L. Jacobs, well known to readers of the REVIEW, as efficiency expert to the city government. For a number of years Mr. Jacobs served in the same capacity to the county board and was instrumental in introducing material economies. Fully recognizing the political handicaps under which the new mayor will work, we, nevertheless, predict a distinct improvement in Chicago government.

*

New York City Moves Toward Transit Unification

Governor Roosevelt has approved two bills passed by the New York legislature relating to transit in New York City.

One embodies the so-called unification measure, under which the proposal of Samuel Untermyer, special counsel to the transit commission,—or a modification thereof—may be put into effect. This law declares that an emergency exists with respect to transit in New York City, and gives broad powers to the transit commission to prepare a plan, or plans, designed first, to bring about a combination, improvement and extension of railroads by purchase, lease, recapture, or otherwise; second, to make it possible for the city to receive net revenues sufficient to pay the service charges on its investment in transit; and, third, to assure operation at the present or lowest possible fare consistent with good service.

Under the bill the commission *must consider*, and *may* provide, a board of transit control to consist of 19 members, of whom not less than ten nor more than thirteen shall be appointed by the mayor; not less than three nor more than six to be appointed by the commission; and not less than three nor more than six to be appointed by the mayor upon the nomination of the railroad companies included in the plan.

The bill specifically empowers the transit commission to reorganize transit facilities in the city of New York in one or more units, combining whatever facilities they deem feasible, including street surface railways or other modes of transportation. The only prescription is that whatever plans are undertaken must satisfy the three objectives enumerated in the bill. These powers, however, are permissive only, and no plan can be put into effect without the approval of the local authorities, *i.e.*, the board of estimate and apportionment of New York City.

Toward the end of 1930 Mr. Untermyer submitted a report to the commission in which he proposed tentative figures at which the properties operated by the Interborough Rapid Transit Company and the Brooklyn-Manhattan Transit Corporation should be included in the plan. An analysis of these figures was given in the Public Utilities department in the February REVIEW. No doubt, valuation presents the most difficult problem in connection with any unification plan. Negotiations are still in progress, but it is expected that public hearings by the transit commission will begin in the near future.

The second bill passed by the legislature, known as the Thayer amendment, specifically empowers the board of transportation to enter into a contract with any company for the equipment and operation of the new city subways now under construction. There are differences of opinion as to whether this law really introduces a new possibility into the situation. Some are inclined to believe that such a contract, if desired by the city, would have been valid under existing legislation. On the other hand, Chairman Delaney of the board of transportation is reported to have asked for this specific measure—presumably because he thought that it conferred new powers upon the board of transportation.

In any case, the city now has a choice of one of three measures. It may unify all or any transit facilities in operation at the present time, and add new lines as completed—all under a newly created board of transit control. Or it may recapture one of the two Interborough subway lines and all of the B. M. T. subway lines, and unite them with the newly constructed subway lines, leaving the older properties, the elevated lines and one of the old subway lines in the hands of the private companies. Or, finally, it may leave all operating rapid transit lines with the present lessees, retaining the new lines for operation under lease with one of the existing transit companies, or with another company.

We may expect that the public hearings before the transit commission will be instrumental in elucidating the comparative merits of the possible alternatives.

J. B.

* * *

Extraordinary Personnel of New York Power Authority

Governor Roosevelt's announcement of the members of the state power authority to carry into force the recently enacted power law gives ample assurance that the interest of the public will be protected and the purpose of the law conscientiously fulfilled. Frank P. Walsh is chairman and Professor James C. Bonbright is secretary. Other members are: Morris L. Cooke, Delos M. Cosgrove and Fred Freestone. In naming Mr. Cooke, Governor Roosevelt broke a time-encrusted American tradition. Mr. Cooke is a Pennsylvanian who for many years has been distinguished as an ardent and able advocate of the public's interest in utilities and has been actively identified with Governor Pinchot's utility program in his native state. Messrs. Walsh and Bonbright were two members of the minority of the Revision Commission which in 1930 reported in favor of the Bauer plan of a fixed rate base. Mr. Freestone is head of the New York State Grange.

The functions of the power authority are fourfold. It must effect an agreement between New York and Ontario regarding actual utilization of power resources. It must take the leadership in an agreement between the governments of the United States and of Canada regarding the international use of the St. Lawrence. It must complete arrangements between the state of New York and existing power companies regarding distribution of power. Finally, it must effect plans and let contracts for the construction of generating plants and such transmission lines as may be built by the state.

The responsibilities confronting the power authority are enormous and Governor Roosevelt is to be congratulated upon the selection of such capable and trustworthy officials.

* * *

North Carolina Strengthens State Control over Local Finance

Readers interested in public finance will welcome Mr. Masslich's article in this issue on the new North Carolina Local Government Act. For several years

Mr. Masslich has been guide, counsel and friend to North Carolina, and is largely responsible for the form of the progressive fiscal legislation which has characterized this state in recent years.

The new act sets up a stringent control over local government debt practices. On the whole, it goes farther than any similar legislation in the United States and if successful in practice will undoubtedly prove a trail-blazer for other states.

While representing in a sense a normal evolution from preëxisting legislation, it is doubtful that such a radical step would have been taken had it not been for the financial difficulties in which North Carolina finds herself. In common with Tennessee and Kentucky, she has experienced an epidemic of bank failures, some of which involved large deposits of city and county funds now known to have been insufficiently secured. There has also been a disquieting number of defaults on local government debt service. While these defaults are doubtless temporary they have naturally stimulated a desire to put North Carolina's financial house in order.

The sweeping provisions of the new act are clearly described by Mr. Masslich. They include the creation of a local government commission with extraordinarily broad powers. The office of director of local government is established. The director acts as secretary to the commission but possesses many independent functions.

No bond or note of a local unit is valid unless it bears the certificate of the director of local government that its issuance has been approved by the commission or that the approval of the commission is not required by law. In granting or withholding such a certificate the commission shall consider the necessity of the proposed improvement, the amount of present debt, the past financial record of the local unit, the effect of the proposed debt on the tax rate, the adequacy of the amount of the issue for the purposes intended and the economic soundness of proposed revenue producing enterprises. Municipal and county bonds will hereafter be sold by the local government commission at Raleigh and the procedure of sale is carefully safeguarded.

A most novel feature of the act is the provision for an administrator of finance to have charge of tax collections, and custody and disbursement of funds of local units in default in debt payment. In such circumstances the local administrator of finance, appointed by the director of local government, becomes virtually a municipal receiver. In general the purpose in mind is similar to that which moved the New Jersey legislature to pass the Reeves Act this spring by which municipalities in default on bonds or notes for sixty days may be thrown into receivership upon order of a justice of the state supreme court. At this stage the state municipal finance commission, and their appointed agent, the auditor of accounts, virtually take charge.[1]

Mr. Masslich reports that investment dealers believe that North Carolina municipals have already benefited from this legislation. He wisely points out, however, that its real value can be tested only by time and that its success will depend largely upon its administration. Six of the nine members of the new commission are appointed by the governor. It is generally agreed that the governor's appointments have been good and that the personnel of the commission inspires confidence in its success.

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[1] For outline of the Reeves Act, see NATIONAL MUNICIPAL REVIEW, May, 1931, p. 312.

HEADLINES

St. Louis County, Minnesota, wouldn't follow the crowd. No, sir! When most counties were talking consolidation, St. Louis County was talking secession. A bill to split up the county narrowly missed passing the legislature.

* * *

"Death in committee at the end of the session" was the fate reserved for Senator Rexroat's county manager bill in Oklahoma. Whoops of glee at the bill's passage in the senate soon subsided at the cold shoulder turned by the house.

* * *

A proposed constitutional amendment before the Pennsylvania legislature would give that body the authority to merge the city and county of Philadelphia into a single municipal corporation.

* * *

Chief of Police Caesar J. Scavarda has been appointed acting city manager of Flint, Michigan, at a probable salary less than half that of the former manager.

* * *

Governor Henry S. Caulfield of Missouri has signed a bill providing a graduate tax of from one to four per cent on individual incomes. A similar bill has also been approved by Governor C. Ben Ross of Idaho.

* * *

Home rule legislation in New York state backed by the reformers failed and bills opposed by them passed! Governor Roosevelt came gallantly to the rescue, however, and saved the day by vetoing a bill repealing the 1914 optional city government law.

* * *

On the premise that firemen are the only federal, state, and municipal employees who work more than eight hours per day, a movement has been launched in New York City in behalf of the eight-hour-day for firemen.

* * *

A "dangerous" book was found by Dana Sleeth on the shelves of the Portland, Oregon, police station, where it had lain since seized in a Socialist raid during the war. Its title was "A Municipal Program: Being a Report of the National Municipal League for Good Government."

* * *

R. W. Kabrick of Clear Lake, Iowa, is kicking himself for taking pains. The first sheet of the petition seeking a city manager referendum was dirty, so he copied the names on a clean sheet. Since all the names were not original signatures, the petition was rejected!

"Plan to sit with your representative at his desk throughout the day until such time as the above I. B. A. bills have been acted upon by the House," reads No. 3 in the long list of instructions from the Iowa Bankers Association to its lobbying representatives. Lobbying with a vengeance by the "respectables"!

* * *

A committee on reduction of expenditures has been appointed by the Iowa legislature to make a study of state, county, township, city and town government and recommend changes that will result in increased efficiency.

* * *

Pre-primary conventions are being urged by Senator Robert A. Taft of Ohio as a solution to the evils of the present primary system and to regain some measure of responsibility for nominations.

* * *

The state of Michigan henceforth will shell out for part of the cost of widening trunk line highways within city limits by the terms of a bill recently passed by the legislature. Cities also may now issue bonds for such widenings without effecting the legal bonding limits.

* * *

Less than half of Chicago real estate owners paid 1929 taxes, latest figures reveal. When government by deficit will end, no one seems to know.

* * *

A municipal home rule amendment to the constitution of Utah will be voted upon by the electorate as a result of a joint resolution passed by the legislature.

* * *

Sixty days after their pay stopped, North Carolina legislators were still at it. The apparent impossibility of the legislature's reaching a decision on the vital matters before it leads the Greensboro *Daily News* to urge a small single-chamber legislature.

* * *

Nothing like drawing your salary in advance and then being fired! This was the achievement of a few members of the Thompson régime in Chicago who left "I. O. U.'s" in the city cash box for the incoming treasurer to worry about.

* * *

The optional city government law of 1914 applies to Binghamton, New York, regardless of the "repealer" passed by the city council, Supreme Court Justice E. W. Personius decided in granting a writ of mandamus compelling the city to hold a referendum on the city manager plan.

HOWARD P. JONES.

JUBILEE IN CHICAGO

BY CARROLL HILL WOODDY

The University of Chicago

News item: The week of May 10 was celebrated as Jubilee Week in Chicago. :: :: :: :: :: :: :: :: :: ::

CHICAGO is celebrating Jubilee Week! Politicians and merchants, labor leaders and employers are joining in a "little world's fair" to tell all and sundry that Chicago is a safe place to visit—and buy goods in. A new optimism has arisen to breathe reality into the historic slogan, "I Will!" And why not? Thompsonism is dead. A Master Executive sits in the City Hall, determined to bring order from chaos, solvency from bankruptcy, efficiency from neglect.

Chicago is getting a "good press," these days, and only a dour sort of fellow could refuse to join the chorus of joy. Even the "impartial observer" cannot fail to record the tremendous release of spirit which has accompanied the passing of Thompsonism. Bring the future what it may, an incubus has been lifted; the avenues of hope have been opened.

All this came from unpromising beginnings. The early stages of the mayoral primary were marked by the customary failure of "civic groups" to function effectively. Several well-organized groups of respectables, following a precedent established in 1923, attempted to draw up lists of "acceptable candidates" from which the party organizations might choose. The Democratic machine, now united under the leadership of Anton J. Cermak, president of the county board and undisputed successor to "Boss" Brennan, was too strong to look for suggestions to such sources. Republicans, on the other hand, were too badly divided to respond to such appeals.

PRE-PRIMARY MANEUVERING

It became clear before the turn of the year that Thompson, encouraged by the state supreme court's reversal of the "expert fees" decision—estimated to have saved him a repayment to the city of over a million dollars—had definitely decided to seek a fourth term, despite an attack of appendicitis which had brought him to the point of death. The mayor's bolt to Lewis in November had alienated the official party leaders, and if these could be brought behind a single candidate the City Hall might be beaten, otherwise the prospect seemed dubious.

Much maneuvering now followed. Representatives of the Republican factions—Snow, Harding, Brundage, Barrett, Lundin, Emmerson and Deneen—conferred earnestly, but could not agree. Municipal Judge Lyle, who had been made a symbol of the anti-crime war by newspaper publicizing of his high bond fixing and spectacular attacks on "public enemies," short-circuited the proceedings by declaring his candidacy. The factional leaders, including Barrett—already a candidate—flocked to his support, all save Deneen, who entered his own man, Arthur F. Albert, young anti-Thompson gadfly in the city council. A multi-cornered Republican primary was assured. On the democratic side, Cermak demonstrated at once his ambition and his adroitness by sidetracking a long list of democratic "availables" and securing united party support for his own nomination.

The tone of the Republican primary boded no good for the city. *News* and *Tribune,* their hostility heightened by the Lingle incident, split the opposition. The former, joined by many independents who thought Lyle weak and incapable, urged Albert strongly. The latter seized upon Lyle's candidacy as the vehicle for a bitter, blasting assault on Thompson scarcely to be equalled in journalistic history. The mayor, seeing in Lyle, particularly, an easy target, turned the tables neatly on his foes.

"Little Artie" and the "crazy Judge" were the tools of the newspaper barons, he proclaimed. The halter-clad understudies of his rivals, seated on mule and jackass, paraded the streets and provided the star turn for a vaudeville show at the Cort Theatre. "This Thompsonism your enemies denounced," declared the mayor, "is the beautification of Chicago." A handsome rotogravure was circulated to drive home the point. The exchange of diatribes waxed more violent as the campaign progressed, but to no end, for Thompson could not be beaten at his own game. The result merely confirmed pre-primary forecasts. Thompson's plurality approached 70,000. Albert's quieter campaign brought him nearly a hundred thousand votes, scarcely more than a third of Thompson's poll, but, added to Lyle's, enough to have beaten the mayor by 30,000. A fourth candidacy, that of Otto L. Schmidt, Thompson's city controller, alleged to have been entered to draw German votes from Albert, attracted little attention. Cermak, with insignificant opposition, won a handsome complimentary vote—234,000—on the democratic side.

BUNDESEN STAYS OUT

"Divide and win" seemed the primary's lesson for the Thompson board of strategy. If, on the other hand, independent candidates could be prevented from entering the election race, Thompson might yet be beaten. The danger was a real one, for many civic groups looked askance at Cermak, and the popular coroner, Dr. Herman Bundesen, throttled out of the Democratic primary, was known to be feeling the public pulse. A "citizens' committee" flooded the mails with Bundesen pledge cards. A ticket headed by his name was filed, but was disavowed when it became known that its sponsors were former Thompson job-holders. Dr. Shailer Mathews, Professor Charles E. Merriam, joined by other independents, urged Bundesen to forego his ambitions for the present. The *Daily News,* his chief sponsor, concurred. The coroner, amid public plaudits, announced his withdrawal "for the good of Chicago." The election commission, in the exercise of its discretion, adjudged the petitions of all minor candidates, even the Socialist, as illegally filed. Thompson and Cermak alone were left on the mayoral ballot.

This turn of events rudely shattered the Thompsonian illusion of victory. No inflated Judge, no youthful alderman now confronted the booming mayor, but a serious and solid figure embodying the united strength of the Democracy. Nor could the Republican candidate count upon the united support of his own party. The wounds left by the primary struggle could not so easily be healed. Independents demonstrated an almost unanimous disposition to believe that Cermak, whatever his faults, was preferable to Thompson, and this view was concurred in by many loyal Republicans. Committees for Cermak—Independent, Business Men's, Republican Men's, Republican Women's—sprang into being and functioned widely and effectively. Factional leaders recently behind Lyle and Albert were secretly indifferent, their followers often openly hostile to Thompson, consoling themselves by the thought that one who had supported a Democrat for senator deserved a dose of the same medicine. *Tribune* and *News* found common cause at last; even Hearst, hero of Thompson's carnival of welcome the previous October, promised his opponent an "even break."

THOMPSONISMS

But the Thompson show-boat sailed on, equipped equally to amuse the mob and vilify the enemy. A jingle composed by a celebrating Thompsonite in the moment of primary victory set the keynote for the campaign: "Tony, Tony, Where's your pushcart at? Can you imagine a World's Fair Mayor, With a name like that?" "I won't take a back seat from that bohunk—Chairmock, Chermocka or whatever his name is." "Calls himself a 'Master Executive' . . . you Negroes know what a *master* is . . . who kicked all the Negro caddies off the golf courses?" "The Master clubbed the Irish . . . the Poles . . . off the ticket . . . first time in my life I ever saw the Irish lay down without a fight." "Vote for me . . . jobs for Poles . . . jobs for Negroes . . . jobs for the Irish . . . you can call the City Hall the Capitol of Poland . . ." "Waterways . . . 150,000 more jobs when the steamboat whistle blows from New Orleans." "I built the schools, the playgrounds, kept the water pure, reduced the price of the kiddies' milk . . . the Chicago skyline . . . that's *my* skyline." "Saving Tony . . . saved six millions out of a $10,000 salary . . . built the county jail without a boiler . . . grafts on coal and paving . . . Chicago *Tribune* called him a horse-thief, now they say elect a thief." "Tony, the Jew-hater, supported by Rosenwald, the faker-philanthropist, trying to hedge his way out of hell with his benefactions . . . Tony, the tool of the loop millionaires, reduced their taxes by his reassessment, in league with the International Bankers trying to get us into the League and send our boys to die in some European boundary dispute . . . Tony, the German hater, called the German-Americans Huns." "The *Tribune*, greatest curse Chicago ever had, sold out to King George to get 1,200 square miles of Canadian land . . . lies about me with dribbling idiot pictures . . . can you believe their type? Wrote my obituary when they thought I was dying—wouldn't they like to know how I got it?—called me an international figure, always on the front seat of the great American band-wagon (not the garbage wagon like Tony) . . . now look how they lie about me." The gradually hoarsening voice, saved by loud-speakers, goes on thus to the end!

CERMAK CONDUCTS A "DIGNIFIED" CAMPAIGN

Cermak, no orator, made little effort to compete with Thompson's fireworks, whether verbal or visual. By agreement with the independent and business groups supporting him, a "dignified" campaign was planned. Cermak's speeches stressed his long service to the city and county as alderman, state legislator, president of the county board. His public career of twenty-four years, he maintained, should give the lie to Thompson's insinuations. The apparent sincerity of his utterances carried weight; they were ably reinforced by the oratorical efforts of Senator James Hamilton Lewis, the clever and witty appeals of Professor Charles E. Merriam. The regular Democratic organization functioned with great effectiveness; auxiliary groups of independents and Republicans lent useful aid. The effects of two additional Thompson rotogravures, and of a Better Government Association pamphlet denouncing Cermak as worse than Thompson, were more than counterbalanced by the relentless hammering of the *News* and *Tribune*.

THOMPSON CARRIES ONLY FIVE WARDS

It was difficult even for optimists to believe that the Thompson spell could be broken, but the results of the election vindicated the most hopeful predictions. Cermak rolled up a majority of 191,916, outstripping both actually and proportionally Thompson's record-winning margin of 1915. Thompson carried only five wards: the second, third and fourth, comprising the south side "black belt," the "bloody twentieth," and the twenty-eighth, both containing large colored settlements. Thompson's boast before a colored audience that "every damn one of you is for me before I say a word" seemed justified, but apart from this loyal constituency he could claim no other considerable group. Scrutiny of ward votes indicates that many Irish supported him, but that his appeals to racial prejudice had little effect upon Germans, Jews or Poles, the latter of whom were reputed to be greatly annoyed by Thompson's cordiality to Hearst, against whom this group had a grievance. Normally Republican wards on the north and south sides which went for Hoover in 1928 now turned uniformly to the Cermak column, while four wards in Cermak's home territory, the 21st, 22d, 23d and 24th, more than offset Thompson's gains in colored areas.

Many cross-currents complicated this remarkable political upheaval. In analyzing the result, however, the following factors appear to deserve special attention. (1) Absence of an independent candidate, enabling the concentration of anti-Thompson strength. (2) Continuing effect of the economic depression. (3) Desire of the business community to improve Chicago's reputation, which associated Thompsonism with gang warfare and crime conditions in general. (4) The bad impression created by Thompson's recent administration; in 1927 he had been out of office four years and his misdeeds had been forgotten. (5) Disorganization of the Republican party; factional leaders with him in 1927 now were neutral or hostile. Particularly disastrous was the desertion of George Harding, county treasurer and Thompson's long-time friend, who had wished to succeed Thompson and resented his running again. (6) Widespread splitting of tickets by Republicans, shown by the election of Kearns, a Deneen Republican, as city treasurer. (7) Relative unimportance of the liquor and religious issues. Both candidates were Protestants and wets. (8) Ineffectiveness of Thompson's campaign strategy. The old anti-League and anti-King George slogans had gone stale. Sneers at Cermak's nationality alienated the groups out of which Thompson's majorities had been built up (except the Negroes). The attack on Julius Rosenwald was inexcusable. Thompson's showmanship attracted the usual crowds, but less enthusiasm. (9) Cumulative effect of newspaper appeals. The *Tribune* at last "got its man." (10) Substantive weight of Cermak's candidacy. To powerful organization strength was added a career evidencing real ability.

WHAT CAN BE EXPECTED OF CERMAK?

It is clear that Chicago wanted a change and got it. But what may be expected of the new mayor? Has

Chicago, as some declare, merely exchanged Thompsonism for Tammany? The essential likeness of the two party machines may be conceded, but it must be remembered that in Chicago's form of city government authority resides at the top. No one realizes better than the new chief executive the immensity of the task of housecleaning confronting him, but he realizes equally well that what he wills can in considerable measure be brought to pass. The great concentration of power in his hands of which some have complained—the great majority of county offices are also manned by Democrats—may well be an advantage, providing as it does a partial *de facto* realization of the consolidation of local agencies long earnestly demanded.

One great encouragement to Cermak's independent backers was the fact that through his long career increasing power had brought with it increasing capacity and vision. Cermak's ambition, one is told, is to be a "real world's fair mayor" in the best sense of those words. His performances to date have given earnest of the sincerity of that ambition. His early appointments fell to men of high caliber, his inaugural address announced a program embodying many of the advanced principles of scientific administration. An advisory committee composed of representative citizens and experts in administration was named to coöperate in bringing about consolidation of departments, standardization of contracts and supplies, improved central purchasing, complete reclassification of the civil service, together with the installation of other devices of advanced personnel management, independent auditing of municipal accounts, continuous supervision of appropriations and expenditures, regular reporting—with still more that may not be included. This program—the drafting of which no doubt owes much to J. L. Jacobs, well known to readers of the NATIONAL MUNICIPAL REVIEW, who is now to be efficiency expert for the city as he has long been for the county of Cook—foreshadows a genuine revolution. Its even partial realization will mean a momentous change for the better. Let Chicago have her Jubilee! There may be shoals ahead; a straight course has at least been set.

SOME NOTABLE STATE BUDGET DOCUMENTS OF 1931

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Budgets submitted to thirty-seven state legislatures on the whole show continued improvement in form and arrangement. :: ::

AN examination of the budget documents submitted to thirty-seven of the forty-one state legislatures which met in regular session during January of this year leads me to say that substantial progress is being made in the general form and arrangement of these documents. The improvement which has been made in several states over the documents of a few years ago is quite noticeable; indeed, it should be apparent even to those unacquainted with the technic of public budgeting. The fact that we started about twenty years ago with practically no knowledge of budgetary literature (if such it may be called), and that we have developed in this short period quite a large volume of such literature of fairly creditable design is, it seems to me, indicative of a real advance in American public administration. Of course this has not been achieved uniformly over the country; in some half dozen states hardly a beginning has yet been made. My discussion in this article will deal only with the more advanced.

Certain features are now more or less generally accepted as essentials of the budget document of any state, or for that matter, of any governmental unit. These relate mainly to the comprehensiveness of the budget plan as presented in the document, and to the physical make-up of the document itself.

EFFORTS TOWARDS A COMPREHENSIVE BUDGET

Special effort has recently been made in several states to produce a comprehensive budget, one that reflects all income and outgo of the state government. Legal provisions are now in force in several states, notably California, Massachusetts, and Maryland, requiring *all* financial proposals to be shown in the budget. Even so, it has been difficult to make the budget fully comprehend all the expenditure requirements of these state governments. Political expediency or departmental opposition has often stood in the way. In California, for example, a constitutional amendment, adopted in 1922, required a comprehensive budget to be prepared for the state government, but 1931 came before it was finally achieved. Legislative expenditures are sometimes omitted from the budget. Frequently certain departmental or institutional expenditures are left out of the budget for one reason or another. Highway departments are excluded in some states because of the alleged difficulty of budgeting extensive construction programs. Educational institutions are also omitted on the ground that they are supported by mill levies or other special sources of revenue. The present tendency, however, is distinctly in the direction of including all state agencies in the budget regardless of their means of support. Certainly none of them presents problems which cannot be met by comprehensive budgetary planning. Notable examples of states with comprehensive budgets are California, Maryland, Massachusetts, New York, North Carolina, Pennsylvania, and Washington.

PHYSICAL MAKE-UP OF THE BUDGET DOCUMENTS

The development of the physical make-up of state budget documents is interesting. A question of considerable importance has come up in this connection. Is one or several documents necessary to present the financial plan to the legislature? At least one state is following the English method of submitting several documents—the governor's budget message, the summary financial statements, the estimates and supporting data of the individual departments and institutions or groups of institutions, and the appropriation and revenue bills. This is Wisconsin. I refer to the practice inaugurated this year under Governor LaFollette by State Budget Director J. B. Borden. Only the governor's budget message was printed; the other documents were submitted either in typed or mimeographed form. Other states, for example, North Carolina and Washington, submit budget bills as separate documents; Maryland submits not only the bills but the budget message apart from the summary statements and the estimates. The general tendency, however, is in the direction of an integrated budget document, containing a limited number of parts, which are published either separately or in a single volume.

The essential parts of the budget document are now generally understood to be (1) the budget message, (2) the budget summary and supporting schedules, (3) the detailed estimates both of income and expenditures with comparative information and cost data, and (4) the budget bills. Less than a half dozen states produce budget documents which set out all of these essential parts, and even in these instances the attempt to present certain parts is quite rudimentary. Several state budget documents excel only in one essential part, while they exhibit other parts poorly or not at all. Of course state law, local customs, administrative machinery and methods, nature of financial information, and ability on the part of those responsible for the budget plan determine to a large extent the kind of budget document that can be turned out for the legislature.

SIGNIFICANT BUDGET MESSAGES

Among the notable budget messages in connection with state budgets for 1931 may be mentioned those of Governor Rolph of California, Governor Ritchie of Maryland, Governor Ely of Massachusetts, Governor Roosevelt of New York, Governor Gardner of North Carolina, Governor Pinchot of Pennsylvania, and Governor La-Follette of Wisconsin. In each instance the governor has assumed leadership in outlining a financial policy for the state government which is submitted for the consideration and action of the legislature. There seems no longer to be any doubt as to the propriety of executive leadership in this matter. Even in some of those states, like Wisconsin, which have been inclined to curtail gubernatorial authority, the governor has recently been given full responsibility for budgetary planning.

Strange as it may seem, many state budget documents fail to balance prospective outgo with anticipated income; in other words, they do not contain a budget summary in a single, concise table, with a few supporting schedules. However, there are several budget documents which do present such a summary, among which should be mentioned those of California, Connecticut, Delaware, Maryland, Massachusetts, New York, North Carolina, Pennsylvania, Washington, and Wisconsin. More emphasis needs to be placed upon the balanced budget summary. No document can be regarded as a complete budget that does not carry such a summary. Some of the state budgets, notably those of California and Kansas, have made use of graphic charts to illuminate the figures contained on the summary and supporting schedules.

BUDGET INFORMATION

The estimates, principally of expenditures, are presented in varying detail in the budget documents. The New York budget document, for example, contains little or no detail. It has been the practice, under Budget Director J. H. Wilson, merely to summarize the estimates, giving only four or five items for each department. This method of presenting the informational part of the budget is most unsatisfactory. California, North Carolina, and Washington are examples of states which present practically all of the information in the budget document that is collected on the estimates. This method is preferable to digesting the information. The California budget document, prepared under the direction of R. A. Vandergrift, head of the department of finance under the present administration, with the assistance of Harold E. Smith, superintendent of accounts in the department of finance, sets up the detailed estimates under three divisions, called the general, educational, and highway budgets. This arrangement has distinct advantages when much of the financing is controlled by special funds, as in California. In such cases the educational and highway requirements are treated somewhat as if they were presented in annexed budgets. The North Carolina budget document, compiled by the governor's budget assistant, Henry Burke, presents rather elaborate detailed information regarding the estimates which has been carefully arranged for examination. The Washington state budget document, prepared by E. D. Brabrook, acting director of the department of efficiency, gives the detailed estimates and prints the names of the regular state employees to serve as a means of identifying the various positions in the different departments. Cost data, as an aid to checking certain departmental and institutional operations, are, as yet, rarely found in state budget documents. An attempt is made to present some data of this character in the Ohio budget document, prepared under the direction of Harvey Walker, assistant director of finance under Governor Cooper's administration. This budget document is unique in its use of aerial photographs of state institutional plants; it also contains personnel organization charts of departments and much running text on departmental activities.

Budget bills, principally appropriation bills, are presented by the budget making authority either as a part of or in connection with a number of state budget documents. Some examples of these bills are those of New York, North Carolina, and Washington. The items of appropriation are highly segregated in the case of New York, so much so that there is practically no flexibility in the execution of the budget. The items in the appropriations of North Carolina and Washington, which are in lump sum amounts for each of the several departments and agencies, are more in line with the requirements of good administration and the proper execution of the budget.

NORTH CAROLINA'S NEW PLAN FOR CONTROLLING LOCAL FISCAL AFFAIRS

BY CHESTER B. MASSLICH

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North Carolina's new Local Government Act introduces stringent state control over local debts and debt service, new to American experience. :: :: :: :: :: :: :: ::

North Carolina's new Local Government Act shows a determined effort to correct abuses in connection with debt creation and taxation, as well as to safeguard public money and impose budgetary control upon cities, counties and other political subdivisions.

For some years the state has been paving the way for advanced legislation in these respects. As early as

1917 the general assembly passed its first so-called scientific bond act. It applied to cities and towns only and was revised in 1921. A somewhat similar act was passed for counties in 1927, and at the same time an advanced plan for budgetary control in counties was enacted.

Two years ago a tendency toward extravagance in debt creation led to the passage of a law which required approval by the state sinking fund commission of all bonds and notes of municipalities, counties and other political subdivisions except tax anticipation notes.

But the legislature was unwilling to provide for positive enforcement of the provisions of the budgetary measure, and the sinking fund commission act of 1929 proved a none too effective curb upon bond and note issuance.

The 1931 general assembly was in a mood not only to extend and improve these salutary laws, but "to put teeth in them." Bank failures had given the state a fright. Poor special assessment collections, with extravagance in some quarters and an unwillingness to levy sufficient taxes to meet appropriations, stirred the lawmakers into activity. The most significant of the corrective laws passed at the recent session is the Local Government Act. Even after its passage early in March several strengthening amendments were made.

LOCAL GOVERNMENT COMMISSION AND DIRECTOR OF LOCAL GOVERNMENT

The act creates a new state commission, known as the Local Government Commission. The state auditor, state treasurer and commissioner of revenue are members ex officio. The remaining six members are appointed by the governor and hold office at his pleasure. All are required to give such bond as the governor may require.

One of the six appointees is designated by the governor as director of local government. The director acts as secretary of the commission, but has many independent functions and powers. He appoints such assistants as may be necessary. They are responsible to him, and he fixes their compensation, subject to the approval of the governor.

Practically all functions of the commission may be performed by the executive committee, which consists of the three ex officio members and the director. The executive committee's orders are reviewable by the commission as a whole, however, except orders approving notes maturing not more than six months from their date, if request for review is made within five days. Orders of the executive committee refusing to approve bonds or notes are reviewable if request is made within thirty days.

APPROVAL OF BONDS AND NOTES

The act declares that no bond or note of a unit (the term used in the act to refer to a municipality, county or other political subdivision) shall be valid unless it bears a certificate, signed by the secretary of the commission or an assistant appointed by him, that its issuance has been approved under the provisions of the act or that the approval of the commission is not required by law. The only securities which can be issued without the commission's approval are bonds or notes approved by the state sinking fund commission before the repeal of the 1929 law. The certificate is made conclusive evidence that the securities have been duly approved, advertised and sold, that their details have been recorded in the commission's books and that the recording officer of the issuing board has certified that the authorizing proceedings have been recorded in the books of that board, but it is expressly declared that the approval shall not extend to the legality of the securities.

The scope of the commission's inquiry is set forth in section 12 of the act in these words:

> In determining whether a proposed issue of bonds or notes shall be approved, the Commission may consider the necessity of any improvement to be made from the proceeds of any of such bonds or notes, the amount of indebtedness of the unit then outstanding, the fact that sinking funds for existing debts have been adequately maintained or have not been adequately maintained, the percentage of collections of taxes for the preceding fiscal year, the fact of compliance or noncompliance with the law in the matter of budgetary control, the question of whether the unit is in default in the payment of any of its indebtedness or interest thereon, the existing tax rates, the increase of tax rate, if any, necessary to maintain such sinking funds adequately, the assessed value of taxable property, and the reasonable ability of the unit to sustain the additional tax levy, if any, necessary to pay the interest and principal of the proposed obligations as the same become payable. If the proposed issue is for a public improvement in the nature of establishing or enlarging a revenue-producing enterprise, the Commission shall take into consideration the probable earnings of the improvement and the extent to which such earnings will be sufficient to pay the interest and principal when due of the proposed obligations or that part thereof to be devoted to such improvement. The Commission shall also consider the adequacy or inadequacy of the amount of the proposed issue for the accomplishment of the purpose for which the obligations are to be issued, and whether such amount is excessive. The Commission shall have authority to inquire into and give consideration to any other matters which it may believe to have a bearing on the question presented.

The commission is directed to approve bonds or notes only if it is of the opinion that the issuance is necessary or expedient, and that the amount proposed is adequate and not excessive. Furthermore, in all cases except funding and refunding bonds, the commission's approval must rest upon its opinion (section 13):

> (c) either that adequate sinking funds have been maintained or that reasonable assurance has been given that henceforth they will be maintained to the extent required by or under the authority of law, and (d) that the increase in tax rate, if any, that will be necessitated for the proper maintenance of sinking funds as so required will not be unduly burdensome, and (e) that the unit is not in default in the payment of the principal or interest of any of its indebtedness, and (f) that the requirements of law for budgetary control have been substantially complied with, and (g) that at least eighty per cent (80%) of the general taxes of the unit for the preceding fiscal year have been collected.

The commission is required to grant a public hearing on applications for approval of bonds and notes, if requested; if it refuses to approve, the bonds cannot be issued except after a favorable vote at an election.

So-called "proceedings contracts," unless made with attorneys at law and limited strictly to the doing of legal work for the units, are declared void unless approved by the commission.

SALE OF BONDS AT RALEIGH

A feature of the act is the provision that all bonds and notes shall be sold by the commission in Raleigh, unless exchanged by the state treasurer for outstanding indebtedness. The commission is required to publish a notice in a local newspaper at least ten days before any sale, and may publish the notice in other papers including a financial journal published in New York and devoted to municipal bonds. Sealed bids are required, and auctions are prohibited. A certified check of 2 per cent is required with bids for bonds, and ½ of 1 per cent with bids for notes. The paper must be awarded to the highest bidder, unless the bidder is permitted to bid on the rate of interest, in which case it goes to the highest bidder at the lowest rate of interest bid. The commission is required to send information concerning advertised bonds to all applicants. A private sale can be made only within thirty days after the date of an advertised sale, and then only in case no legally acceptable bid has been received at the advertised sale.

The securities are delivered to the purchaser by the state treasurer, who receives the proceeds and remits to the proper authorities. If the bonds are for funding, refunding or renewal, the state treasurer is permitted to apply the proceeds directly to the payment of the outstanding debt.

SAFEGUARDING FUNDS, INCLUDING SINKING FUNDS

The director is required to keep himself informed as to the condition of local sinking funds, including the amount on hand, their investment or the security given for their safekeeping and the rate of tax necessary to maintain the sinking funds. It is his duty to issue orders requiring the proper officers of each unit to comply with law in respect of sinking funds. Such an order from the director is final unless within five days an appeal is taken to the commission as a whole.

Local sinking funds, if invested, must be invested in bonds or notes of the United States or the state of North Carolina, or in bonds or notes of the particular unit making the investment, or in such bonds or notes of North Carolina municipalities, counties and school districts as are eligible for investment of the sinking funds of the state. The specific approval of the commission is required, however, before any investment may be made in such bonds or notes of a North Carolina city, county or school district, and the commission is directed by the act "to scrutinize with great care any applications for any such investment, and to refrain from approving the same unless such investment is prudent and is safe in the opinion of the commission, and unless the legality thereof has been approved by an attorney believed by the commission to be competent as an authority upon the law of public securities." The commission is prohibited from approving such an investment in bonds or notes of a unit in default.

If sinking funds are not invested, they must be deposited under the same security which the act requires for all municipal funds. These rules for security for municipal deposits are unusually strict. Unless protected by collateral, all deposits must be secured by corporate surety bonds in a form approved by the commission and in an amount sufficient to protect the deposits, but in any event not less than the average daily bank balance of the unit for the preceding year. The commission may even require an additional bond. In lieu of such security, deposits may be secured by such bonds or notes as collateral, if approved by the commission, as are made eligible sinking fund investments by the act, except in the case of "current funds." By an amendment of the act, current funds may be secured by bonds or notes of the unit whose funds are deposited if the director or the commission approves such security.

If it appears to the director that any sinking funds are not deposited under the security required or are not invested in securities which are eligible for such investment, he must require compliance with law in such respects within thirty days, with the proviso that units are given nine months within which to sell ineligible securities, and that this period may be extended by the commission from time to time, but not for more than one year at a time, and the further proviso that the time for requiring security for deposits made before March 18, 1931, may be extended ninety days by the director, and in the commission's discretion and with the approval of the commissioner of banks for a period not later than October 1, 1931.

All officers in charge of sinking funds are required to make semi-annual reports to the director, giving the amount of such funds and stating how they are secured or invested. A similar requirement is made by a separate section as to all funds of the unit.

That the general assembly was determined to make the carrying out of these remarkable provisions possible is shown by a section of unusual import, authorizing the deposit of municipal funds in banks outside the state in case proper security cannot be given if deposited within the state.

NORTH CAROLINA'S SUBSTITUTE FOR A MUNICIPAL RECEIVER

One of the most novel features of the act is the provision that in case of default in the payment of any indebtedness of a unit, the director may appoint an administrator of finance for the unit at such compensation as he may determine, but not more than three hundred dollars monthly except with the approval of the governor. The administrator must take full charge of tax collections and the custody and disbursement of all funds, unless the director should limit his duties in this respect. He may retain under his supervision and control any city or county officers or employees, or in his discretion he may remove them and employ his own clerical force. The unit is required to budget an amount necessary to pay the salary and expenses of the administrator.

SPECIAL PROVISIONS TO PREVENT DEFAULTS

The director is required to mail each officer having any duties in connection with levying taxes, at least thirty days before the annual time for tax levy, a statement of the tax that must be levied for debt service; and at least thirty days before the time for interest and principal payments, the director must mail each disbursing officer a statement of the amount he is required to send to the designated place of payment.

NEW PROVISIONS FOR THE ISSUANCE OF BONDS AND NOTES

It is now provided that all indebtedness incurred before July 1, 1931, bonded as well as floating, may be funded or refunded, except serially maturing bonds of municipalities and counties maturing after July 1, 1933. Counties having a gross debt in excess of 10 per cent of the assessed valuation may refund such serially maturing bonds, however, and as to such counties all the requirements of the County Finance Act relating to serial maturities are dispensed with. Long maturities are provided for the funding and refunding bonds of cities and counties having debts in excess of certain high percentages of the assessed valuation.

Counties are now authorized to issue bonds to fund current expense debt, with the provision that the tax for their payment shall be unlimited unless otherwise required by the constitution. This provision is inserted in response to a decision of the Supreme Court of North Carolina holding that county bonds issued to fund current expense debt are not issued for a "special purpose" within the meaning of the constitution, and therefore are not protected by an unlimited tax, and that since the attempted authorization of such bonds by the County Finance Act of 1927 had required an unlimited tax, the authorization itself must be held void. Hope has recently been expressed that the Supreme Court may now hold that on account of the exigencies which gave birth to this legislation in 1931, the balancing of budgets by issuing funding bonds constitutes a "special purpose" justifying an unlimited tax for the payment of such bonds.

FISCAL CONTROL

The act directs that substantially all the provisions of the County Fiscal Control Act of 1927 shall now apply to cities and towns also. The distinguishing feature of that act is its requirement for an annual tax levy sufficient to meet the annual appropriation bill, as well as all deficits, amounts required for debt service and the probable delinquencies in tax collections, the latter to be calculated mathematically from the average delinquencies of the three preceding years. In counties the budget officer is the county accountant. This act provides for a new officer, known as a municipal accountant, who is to be the budget officer in cities and towns. He is required to be bonded.

Orders, warrants, requisitions and contracts are declared void unless they bear a statement signed by the accountant that the amount to be paid thereon has been appropriated and remains unencumbered. Tax anticipation notes are declared void unless they bear a statement signed by the accountant that their payment has been provided by appropriations. These provisions should show a local banker that even his loyalty to local political demands will afford him no protection if he loans money illegally to his community.

COLLECTION OF SPECIAL ASSESSMENTS

An amendment of the Local Government Act provides that at the annual tax sale special assessments shall be included with general city taxes and that the property affected shall be sold for both liens, with interest and penalties.

ENFORCEMENT OF ACT

Striking features of the act are its provisions for enforcement. Herein, it is hoped, lie the "teeth" left out of earlier laws.

It is made a misdemeanor, punishable by fine or imprisonment or both, for the disbursing officer of a unit to fail to remit moneys for bond and interest payments to the designated place of payment if he has funds with which the remittance can be made.

Misappropriation of moneys collected for debt service constitutes a misdemeanor, as well as false certificates in any matters required by the act and failure to perform any duty under the act. Even the director and each member of the local government commission are under penalty for failure to perform a duty required of them.

It is made the duty of the attorney general, upon complaint of the director and in the case of violation of any criminal provision of the act, to investigate the charges preferred. If he believes the law has been violated he must direct the solicitor of the proper district to institute a criminal action against the offender. Upon the request of the governor, the attorney general must himself take charge of the prosecution, and may employ special counsel to assist the attorney general or the solicitor.

REMOVAL FROM OFFICE OF ANY OFFENDING OFFICER

The governor is given power to remove not only any officer of a unit who fails or refuses to comply with any requirement of the act, but may remove even the members of the commission, including the director. The governor's order of removal is final unless after a hearing the commission refuses to confirm the removal. It is the duty of the director to bring offenses to the attention of the governor, unless the director be the offending party, in which case it becomes the duty of the attorney general to notify the governor.

PROBABLE EFFECT OF THE NEW LAW

Investment dealers are pointing to recent sales of North Carolina municipals at low interest rates as a distinct and immediate benefit the state has received from this legislation. Its real value can only be tested by time, however, and may depend largely upon the industry and public spirit shown by those to whom its operation is entrusted. There are sound reasons for hoping that political influence will be almost negligible.

THE POLITICAL SABOTAGE OF THE CLEVELAND MUNICIPAL LIGHT PLANT

BY R. HUSSELMAN

Formerly Engineer of General Construction, Division of Light and Heat of the City of Cleveland

The plant has been "sabotaged," writes Mr. Husselman, not by willful violence, but by failure to expand its size and market as modern conditions dictate. :: :: :: :: :: :: :: ::

CLEVELAND began its municipal electric utility business in 1906, without any predetermined policy, through the annexation of a village. A second small plant was acquired in the same way in 1910. In 1911 three-cent light, to be supplied by a municipal plant, became the issue in the mayorality campaign. Its possibility was ridiculed by the private power company, which was then charging domestic consumers 10 cents per kilowatt hour for energy, but a $2,000,000 bond issue with which to build a modern electric plant was approved by the electors.

A RATE REGULATOR

The new plant began operations on July 20, 1914, with a maximum rate of three cents per kilowatt hour and power rates running down to well below one cent. This rate remained without change until February, 1925, when a service charge of thirty (30 cents) per month per connection was added. The present rate, applicable to all demands of less than twenty kilowatts, is:

A service charge of thirty cents per month per connection plus an energy charge of:
3 cents per kw. h. for the first 1550 kw. h. per month
2 cents per kw. h. for the next 1550 kw. h. per month
1½ cents per kw. h. for all over 3100 kw. h. per month

The private company in Cleveland charged a maximum rate of ten cents per kilowatt hour until April, 1920. At that time, after an extensive rate case before the Ohio commission and in the courts, which was begun in 1914 and finished in 1919, this rate was reduced by the company to a maximum of five cents and this regardless of an order of the commission providing that "ten cents is the just and reasonable maximum price at which the electric lighting should be sold to consumers in the city of Cleveland, Ohio, . . ." and notwithstanding its contentions, during the trial of the case, that the cost of rendering service to domestic consumers greatly exceeded ten cents per kilowatt hour. Since 1920, the private company has made further reductions in its rates, although its maximum rate is still five cents.

The saving to the taxpayers of Cleveland in the cost of street lighting and to the consumers, as a result of the municipal plant, by December 31, 1923, amounted to the amazing sum of $20,959,000.[1] The saving up to the present time was recently estimated by employees of the division at $39,000,000. The municipal plant has been a most effective rate regulating competitor.

A FINANCIAL SUCCESS

A few statistics concerning this municipal plant as of December 31, 1929, are of interest. The city's investment in plant is $15,013,729.48; total bonded debt, $7,012,000;[2] generating capacity of plant, 50,000 kilowatts; kilowatt hours sold in 1929, 155,512,362; number of customers, 44,822; number of street lights served, 16,037; gross revenues $3,817,074.91; operating expenses, $2,568,564.94, which include all maintenance expenses and $746,402.65 for reserve for depreciation. Bond interest amounted to $323,739.28. Net income after depreciation and bond interest $924,770.69; estimated taxes that would be paid if plant were privately owned, $377,287.20, and net income after such taxes (which are not paid), bond interest and depreciation, $547,483.49.

Stated in a different way, these figures show that the Cleveland municipal plant, with the lowest service rates in the country, showed a net income for the year 1929 of $1,994,912.62, before depreciation, bond interest and taxes, *which is more than six times bond interest.* After depreciation and estimated taxes, the net is $871,222.77 which is 2.7 times bond interest.

The present physical condition of the existing plant is very good. It has been well maintained. The service rendered is continuous and reliable, both as to the energy supply and the handling of customer's complaints. Considering the low rates charged for its service, the financial results of its operation seems to be adequate. Superficially, this plant seems to have been efficiently and properly handled. In view of these statements the reader may well ask, where is there any sabotage, political or otherwise, in connection with this municipal plant?

SYSTEM HAS SUFFERED FROM POLITICAL SABOTAGE

It should be explained here that "sabotage" is not used in this article in the concrete sense of willful destruction of *existing property* through apparently accidental means such as the placing of grit in the crankcase of an automobile or blowing up the manholes in a distribution system. It is not used even in the sense of neglecting maintenance and repair or failure to provide reasonably efficient operation of existing property. This is obvious from the foregoing statements. "Sabotage," as here used, covers and embraces the deliberate efforts of employees to injure or destroy a valuable property and institution at some future time, first, by the advancement and promotion of pernicious theories and policies and secondly, by actually carrying such theories and policies into effect to the fullest extent possible under the conditions.

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[1] Report of Director of Public Utilities of the City of Cleveland to the Members of the Utilities Committee of City Council, July 27, 1924.

[2] There are no other debts except current liabilities.

The political sabotage to which the Cleveland municipal electric plant has been subjected is not found by a superficial examination. It does not come to light until a careful and thorough search is made below the smooth surface of apparently efficient handling and good financial results. However, a searching look below the surface soon discloses that a false sense of security has been created in the minds of the people at large with respect to this institution that is not at all justified by the true facts and conditions.

An article by Paul Tomlinson,[3] entitled "Why Government Operation is Political Operation" appeared in the December 11, 1930, issue of *Public Utilities Fortnightly*. This statement was made: "In Cleveland a private plant has extended its business rapidly, while a competing municipally-owned plant has shown no growth at all." If the author referred to the period covered by the last five or six years, he certainly is not far wrong.

COMPARISON OF SALES REVENUES AND CUSTOMERS BY FIVE-YEAR PERIOD

Percentage of Increase over Preceding Period

Period	Sales of Energy in kw. h.	Revenues from sales	Number of customers	Number of customers at Dec. 31
1913–1918	826.0	462.0	310.0	1913— 5,200
1918–1923	112.3	140.5	66.0	1923—35,394
1923–1928	32.4	38.8	23.0	1928—43,629

The last line shows the results under a *city manager.*

PLANT'S GROWTH RETARDED SINCE ADOPTION OF MANAGER PLAN

Cleveland adopted the city manager form of government, effective on January 1, 1924. Until then the municipal plant enjoyed a rapid growth but it has not been properly extended and developed since. Failure to develop the plant has not been due to inability to secure new business or obtain funds; neither has it been due to unprofitable operations. It seems the private company, not wanting the plant extended, has found a way, by engaging in politics, to prevent it.

The few simple statistics set forth below will show better than pages of explanation what has taken place with respect to the municipal light plant under the city manager plan of government. Figures since December 31, 1928, are not given for the reason that it is desired to compare the results of the first five years under the manager plan with comparable prior periods under the mayors. Results for 1929, however, were somewhat better than in 1928 to the extent of the natural increase of an almost static plant.

The generating capacity in the plant has been as follows: July, 1914 to June, 1919—15,000 kw.; June, 1919 to 1922—25,000 kw.; 1922 to Dec. 1925—35,000 kw.; and December, 1925 to the present 50,000 kw. Funds for the last addition to generating capacity were appropriated under the last mayor.

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[3] A contributor to the magazines and connected with Princeton University—*Public Utilities Fortnightly,* Vol. VI. No. 12, "Pages with the Editors."

In 1910 and 1911 the private company in Cleveland built what was then a very large generating plant on the shore of Lake Erie at East 70th Street. This plant was kept in an almost continuous state of expansion and enlargement until 1925, at which time it had the greatest generating capacity in any single power station in the world. Since 1925 this private company has built and equipped two large, modern generating plants to produce energy for the territory which it serves. One of these plants, located about twenty miles west of Cleveland, has a capacity of 140,000 kilowatts while the other, recently put into operation at Ashtubula, Ohio, has a capacity of 150,000 kilowatts.

These data are given here merely for the purpose of showing what is necessary in the way of expansion to keep pace with the advance in the art of producing electricity—to show that if plants of this kind are not extended and enlarged at reasonable intervals they soon become obsolete and therefore unfit to compete with plants which are kept up to date.

From 1914 to 1924 the municipal plant was the object of almost continuous open attacks from the private company—some of which were national in scope. The last open attack was made in 1924 by the Ohio Committee on Public Utility Information, an organization of the private power interests.

CITY MANAGER UNFRIENDLY TO PUBLIC OWNERSHIP

The city of Cleveland owns and operates two large public utilities, namely, a waterworks with a plant investment in the amount of $52,342,097.68, and gross revenues from the sale of water in the year 1929 of $4,464,344, and the electric plant above described. Yet for its first city manager, who took office on January 1, 1924, the city council chose a man unfriendly to the public ownership and operation of utilities.[4] Regardless of this known unfriendliness, this manager was permitted to hold the office for six years.

The principal argument advanced by the advocates of private ownership and operation of utilities against public ownership—or government in business—is that of "politics." However, these advocates always fail to point out that, whenever a municipal plant of any kind becomes involved in politics, it is because some private company, in fighting it, deliberately put it there. Unquestionably, the city of Cleveland and the Cleveland Municipal Light Plant have been involved in politics of the worst sort since 1924.

Soon after the first manager took office, the city employed an accountant and an engineer to make an examination and report on the condition of the light plant. The engineer so employed was known to be opposed to public ownership. In his report he said "We believe that the growth of the present plant should be limited to 50,000 kw. . . . Since there has been so much advance in the art in the past few years, and will continue to be, together with the development of super power systems, *a logical step from a central station point of view is to purchase 'base load' power wholesale, and retail it for distribution. . . .*"[5] Space does not permit the mention of other and similar statements made by the engineer in this report.

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[4] See open letter in *New York Herald-Tribune*, Feb. 15, 1926, by W. R. Hopkins, commenting on proposal of Governor Alfred E. Smith for power development by the state. This letter was later published in part in "Government (Political) Ownership and Operation and the Electric Light and Power Industry," published in 1928 by National Electric Light Association.

[5] Report of A. B. Roberts, filed July, 1924, and "Recommendations—M. E. L. P." (Municipal Electric Light Plant) submitted August 1, 1924.

Immediately after the filing of this engineer's report, the director of public utilities[6] began to expound those theories, policies and recommendations so inimical to the municipal light plant which he made repeatedly throughout his tenure of office and even after[7] he was forced to resign because of the ouster of the city manager who appointed him. During all this time his policies were supported and confirmed by that city manager.

POLICY OF NON-EXPANSION BASED ON ANTAGONISM TO PUBLIC OWNERSHIP

The tenor of the policies and recommendations of the director with respect to the municipal plant is shown by a few brief quotations from his official reports and statements as follows:

> As competition becomes keener, discard the "isolated plant" ideas and become a logical part of a super power system. In the near future, the city should be able to buy power wholesale at least .003 cheaper than it can produce it. In other words, *purchase "base load" power wholesale and retail it for distribution, keeping the generating station at 50,000 kilowatts to help out during peak demands and for standby service.*[8]
>
> This is the age of super-power. Production is now on a large scale. Single units larger than the entire generating capacity of the Municipal Plant are not uncommon. Transmission of electricity on high tension lines is now accomplished with greatly reduced losses for long distances. Production costs have been lowered. Rates have already been reduced and it is fair to assume that consolidation, combinations, and resulting economies will result in further reductions. Great systems are tying in with one another. Large plants pride themselves on their interconnecting lines with other companies and advertise such connections as guarantees against interruption of service.
>
> The advantages of such interconnections are great and obvious. *We therefore naturally assume that a way will be found to secure them for our plant.*
>
> RECOMMENDATIONS
>
> 1. In order to insure continuous service without interruption at any time and to safeguard its 42,000 customers and its street lighting service, *our plant should be interconnected with power lines transmitting current produced by some other company or organization.*[9]
>
> It would hardly seem sound business to install additional new or replacement production units in the Municipal Plant to supply base load, if our requirements for additional base load can be purchased elsewhere at a fair price.[10]

On February 13, 1928, the director made a report, in compliance with a resolution of the city council and with the approval of the city manager, in which he made approximately the same statements as quoted in the first two paragraphs indicated by footnote 9 above and again emphasized the desirability of an "interconnection." At this time he brought forth three new bugbears to scare the council and called them "lack of capital," "engineering difficulties" and "prohibitive expenditures."[11] On February 15, 1930, he wrote, "This problem is not one of expanding and extending the Central

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[6] Under the city charter the director of public utilities, appointed by the city manager, "shall manage all non-tax supported public utility undertakings of the city including all municipal water, lighting, heating, power, . . . enterprises," (Sec. 76).

[7] "Cleveland's Municipal Light Plant and Its Future—Theory, Politics of Common Sense," by Howell Wright (May 1, 1930).

[8] Director Wright's communication to members of the Utilities Committee of Council, dated August 11, 1924.

[9] Report of Department of Public Utilities, 1926, Division of Light and Power, dated June 1, 1927, by the Director.

[10] Director's letter to Carl D. Thompson, Secretary, Public Ownership League, January 15, 1927.

[11] Printed pamphlet, February 13, 1928, *The Future of Cleveland's Municipal Light Plant,* by Howell Wright, with Foreword by Hon. Newton D. Baker.

Station of the Municipal Electric Light Plant."[12]

Thus the policies with respect to non-expansion of the plant and its interconnection with "a company or organization" which, in the nature of things, could have been none other than the private company in Cleveland—policies first recommended by an engineer opposed to public ownership—were adopted and repeatedly advanced by the first city manager and his director of utilities up to the time of their dismissal.

Some of the statements quoted above are almost word for word the arguments used over and over again by the power monopoly in its propaganda against municipal ownership and operation in the electric light and power industry. They are precisely the arguments used in their efforts to acquire municipal light plants or to prevent the building of new municipal plants. The director of public utilities of Cleveland assumed the rôle of mouth-piece for the power interests, innocently or otherwise.

STREET LIGHTING DEVELOPED DISPROPORTIONATELY

These same officials carried out policies inimical to the welfare and development of the light plant. They over-extended its street lighting load and facilities, especially as regards ornamental or white way lighting systems, by increasing the number of street lamps from 4,134 in 1924, these involving an investment of $567,480.18, to 16,037 at December 31, 1929, when the street lighting systems of the municipal plant stood on its books at a cost of $2,444,662.65.[13]

A street lighting load is a poor revenue producer as compared with other classes of service, yet during the first six years under city manager government the investment in street lighting facilities was increased 430 per cent, although total plant and property was increased only 175 per cent. In 1924 the investment in street lighting was 6.67 per cent of total investment; six years later 16.3 per cent of total investment in property was in street lighting facilities and equipment. Because of this over-expansion of street lighting as compared with other phases of the business, this service during 1929 was rendered at a loss of over $46,000, the bare cost exceeding the revenues from street lighting by that amount at least. On the surface it might seem that this loss resulted from the charges being too low. The fact is that it came directly from the excessive investment charges on the unreasonably large portion of the whole property that is devoted to street lighting purposes.

By discontinuing the solicitation of power business, the first city manager of Cleveland and his officers acted in a manner detrimental to the plant's operating results. Under this policy the plant ceased to compete with the private company for this class of business (as well as for domestic and commercial business), with the result that a considerable number of large power customers were lost to the private company. An examination made in the fall of 1929 showed that 36 power consumers with a total capacity of over 5,000 kilowatts were lost by the municipal plant in the years 1924 to 1927 inclusive and in 1929—the records for 1928 not being available. As a result of the loss of these customers, either through neglect or intentionally, and the over-expansion of street lighting, the power business, in kilowatt hours sold from 1923 to 1928, increased only 15.8 per cent, while the street lighting sales increased 164 per cent during the same period.

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[12] Footnote 7, *Supra.*

[13] Scovell, Wellington & Company's audit, September 15, 1930.

EXCESSIVE PAYMENTS TO CITY'S GENERAL FUND

On January 17, 1929, the sum of $512,783.38, principal and interest, was paid from the light plant fund into the general fund of the city. The principal of the above sum, $276,665.75, consisted of sums advanced by the city, during the period from 1906 to 1909 inclusive, to the small plants which it acquired through the annexation of villages. The director recommended this payment. Thus, in 1929, the officials grasped the opportunity to reduce the light plant funds by assuming the payment of these advances made twenty years or more before, *and from five to eight years before the light plant was put into operation in July, 1914.* Concerning this payment an independent councilman said: "This dirty business could have been done for only two purposes: (1) To obtain money to carry on the supposedly tax-supported activities of the city, or (2) To deplete the funds of the light plant in order to hamper its extension."[14]

It may be said that, under its charter, the council of Cleveland is the policy forming body. Obviously, any legislation providing for an extension of the light plant must be passed by council. During his tenure of office, the director of public utilities continually advised council against any extension or enlargement of the municipal generating plant and recommended "interconnection" with superpower lines. Under these conditions, his failure to request legislation authorizing an extension of the plant cannot be excused on the ground that by so doing he would have gone outside of the proper sphere of his duties.

No legislation providing for extension of the light plant was passed by council during the years from 1924 to 1929, inclusive, nor was any recommendation along that line offered by the city manager or director of public utilities. During October of 1929, the independent councilman mentioned above, introduced a resolution in council providing for the extension of the plant and for raising the funds for this purpose by the sale of bonds secured by a first mortgage on the property and revenues of the plant.

Immediately the city manager and director—and some of the councilmen—set up a great hue and cry attacking this resolution. One newspaper charged the author of the resolution with "turning his back upon the more democratic way of financing by submission of a bond issue to the people."[15] The procedure suggested is provided for in the Constitution of Ohio[16] and has been used by many municipalities in the state. Under the law, a regular municipal bond issue must be voted upon at a regular election in November, while, on petition of ten per cent of the electors, mortgage bonds are voted upon, if at all, at a special election held within four months after passage of the legislation. Their statements with respect to this resolution served to show that, when the necessity arose, the objectors holding city offices promptly set about to defeat this legislation proposed in the best interests of the very institution they took an oath to protect.

Although a year and a half has elapsed since the above mentioned resolution was first introduced, during which time the first city manager and his director of utilities were ousted and their successors named, it has not been passed by the council but is still in committee or in the hands of some official. Meanwhile the necessity for an extension has become more acute. The reason for the dilatory tactics lies in the fact that most of the councilmen who were elected in the fall of 1929 are politicians whose acts indicate that they are controlled by the political bosses. The present city manager seems to have no policies with respect to the light plant.

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[14] "Enlarge the Municipal Light Plant," by F. W. Walz, M.D., Councilman from First District, City of Cleveland, June, 1930.

[15] Editorial in *The Cleveland Press*, October 3, 1929.

[16] Article XVIII, Section 12, of the Constitution of Ohio.

MUNICIPAL PLANT IN DANGER

In the execution of his duties the present city manager has played the politicians' game. He appointed a lawyer as director of public utilities to whose management is intrusted the $68,000,000 public utilities of the city which have annual gross revenues totaling to more than eight and a quarter million dollars. This lawyer had no previous experience or training as a utility executive which would qualify him in the least for the job.

There is an understanding between the utilities department of the city and the private company that they will not "take" the other's customers. Concerning this *The Cleveland Plain Dealer* of June 13, 1930, said:

> ILLUMINATING CO. AND CITY IN PACT
>
> AGREE NEITHER WILL TAKE NEW CUSTOMER FROM OTHER WITHOUT PARLEY
>
> Diplomatic relations extraordinary have been established between the two institutions competing in the sale of electric light and power in Cleveland, the *Plain Dealer* learned yesterday.
>
> Ostensibly to preclude the possibility of a "rate war," the Cleveland Electric Illuminating Co. and the municipal division of light and power have entered into an agreement whereby neither will take a new customer who has been using the other's service without first holding a parley on the matter. . . .
>
> The agreement between the two services further provides that salesmen will make no effort to get customers to change their service.

It is common talk among those who know the existing conditions that potential employees of the city lighting department must be approved by someone connected with the private company before they are employed by the city. In so far as the Cleveland Municipal Light Plant is concerned, it would seem that this is about the ultimate in what may well be termed "political sabotage." Matters cannot go much further before the private company actually gets possession of the physical property of the city's plant in place of mere political control. This, of course, is the end to which that company has been directing its efforts.

It will be a sorry day for the city of Cleveland if the people permit the private electric company, by and through its control of political bosses and politicians, to complete the sabotage of this most valuable asset of the city, this municipal light plant which has given the city the lowest electric rates in the United States; this property which has not cost the taxpayers anything and has saved electric consumers some thirty-nine million dollars.

WASHINGTON'S PUBLIC OWNERSHIP DISTRICT POWER LAW

BY JAMES K. HALL, PH.D.
University of Washington

The story of a hot campaign resulting in victory for the District Power Bill making possible rural public ownership of light and power systems. Probable significance of the new law. :: ::

THE long contest in Washington to inject effective competition in the monopolistic field of rural electric light and power production and distribution in order that rural consumers be assured reasonable rates for electric service finally culminated in the passage of Initiative to the Legislature No. 1, the District Power Bill, in the general election in November, 1930.

In 1924, with the introduction of Initiative Petition No. 52, the "Bone Bill," which gave the necessary sanction to municipal plants to sell power outside their corporate limits, and to condemn private systems, rural communities hoped for relief from the high light and power rates charged by the private utilities. In this they were subject to disappointment as the "Bone Bill" suffered a severe defeat at the polls. Not deterred by this defeat, the State Grange in 1928 circulated petitions and secured the necessary signatures for a district power bill known as Initiative to the Legislature No. 1.

According to the text of the bill its purpose was ". . . to authorize the establishment of public utility districts to conserve the water and power resources of the State of Washington for the benefit of the people thereof, and to supply public utility service, including water and electricity for all uses." Initiative to the Legislature No. 1, submitted to the legislature in January, 1929, was rejected by the senate on February 1, 1929, by a vote of 20 to 17, and as a result automatically went on the ballot for the general election in November, 1930. The bill was passed by the Washington electorate by a vote of 152,487 to 130,901 after a costly and determined contest against the bill by the privately-owned electric utilities.

LEADERS PRO AND CON

The Washington State Grange was the organization primarily responsible for the passage of the bill. The Grange, however, was assisted by the State Federation of Labor, the Railway Brotherhoods, the Farmers Union, the Farm Bureau, the Women's Legislative Council, the Farmers Mutual Electric Association, and the Federated Improvement and Civic clubs, all of which lined up strongly for the bill.

The privately-owned electric utilities throughout the state were strongly opposed, of course, to the bill and strenuous efforts were made to defeat it. The Puget Sound Power and Light Company[1] led the opposition in western Washington, and was ably seconded by the Washington Water Power Company[2] in eastern Washington. The other privately-owned power companies, the Pacific Power and Light Company, the Northwestern Electric Company, the Gray's Harbor Railway and Light Company, the Cheney Light and Power Company, the Pacific Northwest Public Service Company, and the Stevens County Power and Light Company were active also in their respective territories in trying to defeat the bill.

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[1] The Puget Sound Power and Light Company is controlled by the Engineers Public Service Company, which in turn is controlled by Stone and Webster, Inc.

[2] The Washington Water Power Company is controlled by the American Power and Light Company, which in turn is supervised by the Electric Bond and Share Company.

The executive committee entrusted with the campaign for the bill had a campaign fund of less than $5,000, raised by popular subscription. Due to the shortage of funds no paid newspaper publicity was attempted. In the case of free newspaper publicity the proponents of the bill suffered, as such free publicity, from the standpoint of quantity, greatly favored the opponents of the bill.[1] As the privately-owned utilities resorted to the extensive use of paid newspaper advertisements in addition to free publicity, it may readily be perceived that the great mass of newspaper publicity to which the people of the state were subjected was in opposition to the bill.

WHAT THE BILL DOES

The District Power Bill authorizes the establishment of municipal corporations to be known as public utility districts in any section of the state of Washington for the purpose of owning and operating electric power, irrigation, and domestic water systems. The public utility districts upon formation may or may not be coextensive with the county; if a less area than the county is described, the then existing boundaries may not divide a voting precinct. Provision is made for the consolidation of two or more contiguous districts into one public utility district. A proposal to create a public utility district coextensive with a county may be placed on the ballot in either of two ways: by the board of county commissioners, or on petition of ten per cent of the qualified electors of the county, based on the total vote cast in the last general county election. The measure must then be submitted to the electorate in the proposed district at the next biennial general election.

If the proposed public utility is to describe a less area than the county, the proposal must be initiated by petition, whereupon the board of county commissioners must fix a date for a hearing on the petition, and must publish the petition for a period of two weeks, together with the date of the hearing. The hearing on the petition may not exceed a period of four weeks, and if it shall then appear to the board of county commissioners that any lands have been improperly included within the proposed district, the board of county commissioners may change and reëstablish the boundary lines of the district to serve the interests of reasonableness and public convenience. Land outside the boundaries described in the petition may not be included except upon the written request of the owners. The board of county commissioners thus has power to reduce but not to increase the size of the proposed district on its own initiative. As in the case of the district coextensive with the county, the proposal must be placed on the ballot at the next biennial election, and submitted to the electorate of the proposed district.

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[1] Interview with Mrs. Helen Dahl, Secretary of the District Power Bill Committee. The ratio of free publicity was roughly 3.5 to 1 against the bill. Of a fairly large sampling of clippings, 535 items were neutral, 151 items were favorable, and 538 items were against the bill. It is estimated that more than four-fifths of the newspapers in the state opposed Initiative to the Legislature No. 1. The paid advertising of the privately-owned electrical utilities apparently had much to do in influencing editorial policy against the bill.

The general administration of a public utility district is vested in three public utility district commissioners who are nominated by petition, elected by divisions of the district, and who serve without compensation for a period of three years. The public utility district commission must select and appoint an experienced manager who has indefinite tenure of office, is responsible only to the commission, is removable at their will, is not to aid nor to oppose any candidate for district commissioner, and is to be the active chief administrative officer of the public utility district.

POWERS OF PUBLIC UTILITY DISTRICTS

The important powers of public utility districts may be briefly summarized as follows: (1) To survey hydro-electric power, irrigation, and domestic water supply resources within and without the district, and to make recommendations as to their development and coördination into a systematic whole; (2) to construct, condemn, purchase, lease, and operate electric power, irrigation, and domestic water production and distribution systems, and facilities both within and without the district; in pursuance thereof to take, condemn, purchase, and acquire public and private property, franchises and property rights, including state, county, and school lands, and littoral and water rights; (3) to acquire by purchase, or condemnation and purchase, the right to divert, take, impound, and use the water of any lake or watercourse, whether navigable or non-navigable, privately or publicly-owned, or used by the state, or any subdivision thereof; (4) to buy, sell, regulate, and control the price, use, and distribution of water (domestic or irrigation use) and electric current free from the jurisdiction and control of the director of public works and the division of public utilities; (5) to inter-connect its power system with any other public utility district or municipal corporation, and to sell electric energy to any individual, public utility district, city, or town, and to have the use of public highways, roads, and streets for the purpose of distributing electric energy; (6) to exercise the right of eminent domain to effectuate the foregoing purposes; (7) to contract indebtedness for corporate purposes through the issuance of general obligation or utility bonds at interest rates not to exceed six per cent, and which must not be sold for less than par and accrued interest; (8) to raise revenue by the levy of an annual tax in the district, which must not exceed two mills, exclusive of interest and redemption of general obligation bonds; (9) to establish the boundaries of local assessment districts, and to levy special assessments; and (10) to sue and to be sued.

Significant limitations upon the powers of public utility districts are: (1) No public utility owned by a city or town shall be condemned, and, furthermore, none shall be purchased without submission of the question to the electorate of the utility district. (2) Work and materials costing in excess of $5,000 shall be handled by contract, the bids for which shall be publicly opened and read after thirty days published notice. (3) After consolidation of two or more public utility districts, no property within the former public utility districts shall ever be taxed to pay indebtedness of other districts, parties to the consolidation. An important limitation on the power of the public utility district commissions is that proposals to incur indebtedness, which brings the total indebtedness of the district above one and one-half per cent of the taxable property, must be submitted to, and approved by the electorate of the district at the next general election.

ARGUMENTS OF OPPOSITION

The most effective argument advanced by the privately-owned utilities and allied interests in opposition to the District Power Bill was that taxes would be increased: first, by the removal of the property of private utilities through purchase, or condemnation and purchase, by the public utility districts; and second, by the creation of a new taxing body, which means increased taxes *per se*.[1] It was alleged also that the public utility district commissions had excessive power to issue bonds, incur indebtedness, and levy taxes without the consent of the people, and that private initiative and investment in the utility field would be destroyed to the detriment of the common welfare. The sacredness of the institution of private property and its manifold benefits to society were repeatedly emphasized. The private utilities stressed the point of being heavy taxpayers, large employers of labor, and the cause of millions of dollars of outside capital being brought into the state annually, and subsequently expended within the state. Passage of the District Power Bill accordingly would mean that the private utilities would no longer have the opportunity of paying the heavy taxes, of giving steady employment to thousands of persons, and of building up the state by bringing in capital from the outside. Eastern Washington was told that Seattle and Tacoma were back of the District Power Bill in order that they might get control of power resources, sites, and lines in that portion of the state at the expense of residents of eastern Washington. Conversely, western Washington, particularly Seattle and Tacoma, was assured that should the District Power Bill pass, public utility districts created under the authority of the bill could, and possibly would, condemn and purchase the important hydro-electric power resources and water rights of the Seattle and Tacoma municipal systems.

ARGUMENTS OF PROPONENTS

The proponents of the bill stated that the District Power Bill was simply an enabling act which in and of itself levied no taxes nor created bond issues; that it was simply a grant of authority to the rural districts to enjoy the same privileges now enjoyed by cities should they so desire.[2] It was also asserted that rural residents should have the same right to own and to operate electric light and power systems in order to secure lower rates as city residents. Rate differentials for electric light and power favoring city as against rural consumers were made the subject of considerable emphasis. The opportunity for, and existence of municipal ownership of utilities by cities were cited as reasons for the lower urban rates. Another argument of weight was that the power resources of the state are a public heritage and should be reserved for the people, with their use devoted primarily to service and not to profits. It was alleged that should the very extensive water power resources of Washington be used to develop cheap power, which could be done in the absence of private utility over-capitalization and over-developed profit motives, industries requiring electric power would establish themselves in the state, the electrification of farms would be promoted, and the public at large, and the rural districts in particular would gain greatly. The evils of private utility light and power monopoly in rural areas, and the desirability of having a "club" to hold over the power companies were stressed.[1] Potential and actual competition as the only effective regulator and guarantee of reasonable rates for electric service was advanced as a telling argument.[2]

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[1] *Business Chronicle*, October 13, 1930, pp. 1–7; *Seattle Times*, November 3, 1930.

[2] Senator C. C. Dill constantly reiterated this argument in his numerous addresses and radio talks favoring the District Power Bill.

REASONS FOR FAVORABLE VOTE ON DISTRICT BILL

The chief reasons that may be assigned in accounting for the passage of the District Power Bill appear to be: first, the hostile attitude of the people of Washington toward monopolies; second, the rather successful refutation of the arguments advanced by the private utilities against the bill; third, the somewhat excessive activity displayed by the private power companies to defeat the bill, which aroused considerable popular suspicion; and, fourth, the apparently successful operation of publicly-owned and operated power systems in the cities.

In answer to the argument of the power companies that taxes would be increased by removal of the property of private utilities from the tax rolls through condemnation and purchase, the proponents of the bill pointed out that the private power companies pay only 1½ per cent of the state taxes, while municipally-owned plants in Washington are paying from 7 per cent to 50 per cent of the total taxes of their cities or towns. It was also alleged that while all the private power and light companies claimed a total value in the state rate-making department of $153,295,958.40, yet these companies paid taxes upon an assessed value of only $16,781,000, and a tax of $1,174,678.29. With a book value of $85,986,311.74, the Puget Sound Power and Light Company in 1929 paid taxes of less than $550,000 on its power and light property to the state and to its political subdivisions.[3] *The Grange News*, in asserting that the power companies were tax dodgers, declared that "by legislative and regulatory maneuvering and control has already wiped off the tax rolls nine tenths of all private power property."

Furthermore, it was said that the power companies were merely tax collectors, and, assuming that all the private power company properties were eliminated from the tax rolls, the effect would be negligible in that one paying $50 a year in taxes would then pay about 75 cents more, and one paying $100 annually in taxes would pay about $1.50 more. Assuming this slight increase in direct tax burden, the rural consumers' gain in securing light and power at around two cents or less per kilowatt hour would greatly outweigh any tax considerations. The marked discrepancy between the power companies' rate bases, or valuations for rate purposes, and their valuations for tax purposes was the subject of considerable public criticism.

As a conclusive answer to the tax arguments of the power companies, the supporters of the District Power Bill stated that the bill itself created no new taxing bodies, removed no private power company property from the tax rolls, would stimulate rather than destroy private initiative and efficiency by making possible the existence of competition in rural areas, and would in no way impair the sacredness of private property, as the fair value of such properties would always be paid even in the event of condemnation and purchase by public utility districts.

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[1] Alleged excessive charges to rural residents for transmission line extensions were emphasized as being a particularly gross abuse of the private utilities' monopolistic power.

[2] Seattle was cited as an example of what actual competition would accomplish in the way of rate reductions for electric service.

[3] *Grange News*, November 5, 1930, p. 15.

ACTIVITIES OF PRIVATE INTERESTS REACT AGAINST THEM

With the approach of the general election which was to decide the District Power Bill issue, the power companies became increasingly active. Many who were lukewarm in their adherence to the bill reasoned, *prima facie*, that the benefits to rural areas from the passage of the bill were probably in correspondence to the opposition—hence the stronger the opposition the greater must be the benefits that the bill would confer, and as a result became ardent supporters. The more or less under-cover methods used by the power companies to develop public opposition to the bill also had a disastrous effect, and apparently did more harm than good.[1] Power company employees were very active in developing opposition to the bill by personal contacts and by distribution of literature. It was the belief of certain interested observers that the private power companies, by their violent and aggressive opposition to the bill, had helped in their own defeat.

The continued representation by the leading proponents of the District Power Bill that public ownership and operation of electrical utilities in Washington has been an outstanding success undoubtedly influenced many to favor the bill. The advantages of lower rates and at the same time utility profits for the general tax fund, or the maintenance of other city functions and departments, or the retirement of the system's outstanding indebtedness were stressed as accruing to those communities which have municipal light and power systems. A salutary effect on the private power companies of the District Power Bill was pointed out even prior to the passage of the bill by attributing to it, whether incorrectly or not, the rate reductions made by the power companies at that time. If the bill was having such a wholesome effect on light and power rates even prior to its passage, would it not secure still more substantial advantages in the future if it were passed? That this argument was effective in developing public opinion favorable to the bill is hardly open to question.

MAJOR SUPPORT FROM RURAL AREAS

Support for the District Power Bill in the election came principally from the rural districts which returned favorable majorities in most instances. Twenty-seven of the thirty-nine counties in Washington polled favorable majorities for the bill. Opposition centered in the cities. Seattle, which owns the largest municipal light and power plant in the state, voted against the bill. The reasons for this somewhat unexpected result apparently lie in the strong support of the Puget Sound Power and Light Company by business and financial interests in the city, the rather unsympathetic attitude of Seattle citizens toward rural problems, an unwillingness to give rural districts any opportunity to shift or to increase taxes, the presence of a large number of power company stockholders and employees in Seattle, and the greater effectiveness of the power company attack on the bill in the cities as compared with the rural areas. Apparently the power companies tended to concentrate their efforts to carrying the cities and the more or less neutral voters, feeling that relatively little could be done in the rural districts against a bill so obviously to the advantage of the rural residents.

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[1] Investigations by the Federal Trade Commission disclosed the fact that the Voters' Information League of Seattle, which professedly made an impartial and unbiased survey of the Seattle Municipal Light Department, had been subsidized by the Puget Sound Power and Light Company to the extent of 73 per cent of its income in 1927, and 89 per cent in 1928. The report of the League on the Seattle Municipal Light System represented that the municipal system was operating at a loss, contrary to its official reports. *Seattle Post Intelligencer*, March 29, 1929.

PROBABLE ADVANTAGES OVER-EMPHASIZED

The probable economic effects of the District Power Bill, and the significance of this essentially rural public ownership movement have been over-emphasized by many, particularly the over-enthusiastic rural residents and the rabid partisans of public ownership and operation. That some public utility districts will be formed by rural consumers under this enabling measure is hardly open to question. Conversely, however, the wholesale formation of public utility districts is not to be expected. The reasons supporting this conclusion are: First, rate reductions for rural light and power service have recently been made, and there are contemplated rate reductions in the near future by the private companies; second, the partial reduction, with the total elimination of installation charges in some instances by the private companies, and a greater willingness to extend service to rural residents, which is of recent origin, will tend to remove the strong antipathy to the private power companies engendered by the high charges for rural line extensions; third, the formation of public utility districts is impossible by the terms of the bill until the general biennial election of November, 1932. This period of two years, which must elapse before public utility districts can be established, will tend to make for a more reasoned collective judgment on the part of rural residents as to the desirability of creating a district in any single instance. Fourth, the policy of the Washington State Grange, which is very influential in the rural areas, is to proceed cautiously and to avoid mistakes. It has been generally urged by the Grange leaders "that it was advisable to go slow and that fair treatment should be accorded to both municipal and private power concerns." It may be said, however, that the private power companies can not afford to minimize or to neglect the warning sounded by the passage of the District Power Bill. Rural areas must be given service at reasonable rates—rates that are based upon reasonably prudent investment costs and not upon inflated valuations. Differential rates between urban and rural residents must be predicated on differential costs of service, and discrimination in rates against rural consumers not justified by differences in costs must be eliminated if the private power companies are to continue serving the rural areas. It is believed that the private power companies in Washington will be guided by reason in their treatment of rural consumers, and will successfully meet, in the main, the threat of competition embodied in the District Power Bill.

THE BONDED DEBT OF 257 CITIES AS AT JANUARY 1, 1931

BY C. E. RIGHTOR

Chief Accountant, Detroit Bureau of Governmental Research, Inc.

Mr. Rightor's ninth annual tabulation and analysis of city debts.

THE accompanying tabulation reports the total gross bonded indebtedness as at January 1, 1931, of 243 cities in the United States and 14 cities in Canada, with a subdivision of this total into the three general classes by purposes—general public improvements, schools, and utilities; the total sinking fund, with a similar subdivision reported in percentages; the net total bonded debt; the net bonded debt to be retired from taxation (reported as "excluding self-supporting"), total and per capita; and the total gross special assessment debt.

The data are presented in the same manner as the tabulations in previous years. The cities are arranged in the order of population according to the official census of 1930. The census added 23 cities to the number having over 30,000 population. Previous compilations having used the population estimates of the census bureau, the present table gives effect in many cases to a substantial shift in the position of the city, and consequently also in the per capita figure reported. The official census for Canada is not yet published, and the population used for those cities is estimated.

The table makes available in concise form a current statement of the total amount of bonded debt outstanding as a liability against the property and citizens of each city. In this single purpose, however, difficulties arise in attempting a uniform presentation of the data. Many cities report that school bonds are legally an obligation of a separate unit of government, and further, numerous special districts have been created with an independent debt-incurring power. The debt of these districts, or the city's portion, is included when reported, because the same property is back of the debt as is back of other local indebtedness.

The portion of any state indebtedness which may run against the local government has not been included. The city's portion of county debt is usually not included, except in cases of city-county consolidation, and consistent with earlier practice, the amount of temporary loans is not included. Local laws dictate different ways of computing "net" debt and limits for various purposes of issue, but attempt is made herein to present the data in a comparable manner, and to that end local provisions and interpretations are ignored. In all cases, however, it is essential to refer to the footnotes, which indicate deviations from ordinary conditions.

NON-SELF-SUPPORTING DEBT AND SPECIAL ASSESSMENTS

Municipal securities are issued within certain limits set forth in the statutes or charter, and these limits are usually expressed in percentage of the total property, or real property, valuation. The statutes usually provide further that the taxing ability of the city shall be unlimited for the service of its indebtedness, and thus the faith and credit of the city are involved in any consideration of the debt. Exceptions are sometimes found, however, to such tax liability in the case of funds invested in utilities and other services maintained upon a revenue-producing basis sufficient to pay all debt service. The extent of debt for these special services and the consequent relief to the taxpayers for debt charges, suggests the necessity of reporting specifically the amount of bonded debt which must be retired solely from taxes. The columns "Excluding self-supporting" report such debt.

The manner of financing local improvements varies with cities, but a common practice is the issuance of special assessment bonds, which commonly are construed not to be subject to the general bonding limitations. It is necessary, therefore, in getting an accurate picture of the city's debt, to record special assessment bonds, and this is done in a separate column. This indebtedness, however, is not included in the gross or net total bonded debt reported.

RANGE IN PER CAPITA DEBT

Analysis of the per capita net debt, excluding self-supporting, discloses a wide range. Except for Washington, which has no debt, Rockford is lowest, with a per capita of $14.81, and the highest is Atlantic City, with $386.89.

For group I, the range is from $63.63 for St. Louis to $207.07 for Philadelphia; for group II, Seattle reports $69.91, and Newark, $140.68; for group III, Peoria, $18.60, to Yonkers, $181.46; for group IV, from Rockford to Atlantic City, the figures already given; for group V, Moline, $17.68, to White Plains, $305.12. For the Canadian cities, the lowest per capita city is Winnipeg, $59.87, and the highest is Victoria, $217.62.

Why has Atlantic City a per capita debt of $386, Dearborn $329, White Plains $305, and Greensboro $234; while, on the other hand, Rockford reports a per capita debt of $14, Moline and Auburn $17, and Peoria $18? Atlantic City has an accredited population of 66,000, which in the summer mounts to possibly 366,000, which explains in part its high per capita debt, and of its total, $190 per capita is invested in a revenue-producing but not quite self-supporting auditorium. Of Dearborn's debt, $177 per capita is in its school system, also an unusual condition. The reasons for the divergence among cities merit detailed study, but are beyond the purview of this tabulation.

TREND OF DEBT

The trend of municipal indebtedness is found as a whole to be upward, as reflected in the weighted average of all cities. By "weighted average" is meant the net total debt (excluding self-supporting) divided by the total population, for all cities included in the computation. The weighted average for thirteen cities in group I is $132.02; and for twelve cities exclusive of New York City, is $117.48. This compares with the weighted average for twelve cities (using the official census figures for 1930) of $111.36 for the preceding year.

The weighted average of eleven cities, except Washington, in group II is $103.88; and of ten comparable cities (reporting both years) is $107.12, compared with the 1930 figure of $96.49. The weighted average of 61 cities in group III is $84.34; and of 55 comparable cities, in 1931 and 1930 respectively, is $86.13 and $82.44. For 77 cities reporting in group IV, this average is $84.72; and for 58 comparable cities, for 1931 and 1930 respectively, is $86.11 and $80.71. For 74 cities in group V, the average is $68.22; and for 54 comparable cities in the two years is $65.77 and $60.83.

The weighted average of all cities in the five groups for which returns are complete is $108.40 per capita. Of this number, 189 cities reporting in both 1930 and 1931 show a per capita increase from $95.75 to $100.67. For twelve Canadian cities, the weighted average is $114.92; and for ten comparable cities, the weighted average this year is $116.01, which compares with $106.15 last year.

Reports of *The Bond Buyer* are that sales of state and local bonds for 1930 were nearly $1,400,000,000. It may be assumed that at least 60 per cent of this amount was for cities, and equally certain it is, on the other hand, that maturities during the year are not equal to sales. Of 77 cities in the first three census groups reporting both last year and this, 53 cities had a substantial increase in total gross bonded debt, while the remainder reported reductions. Demands continue upon the cities to make public improvements to be financed by bonds, *The Bond Buyer* reporting authorizations by the voters during 1930 of $626,000,000, compared with $420,000,000 in 1929. A favorable market for municipal securities during the year, with better rates than for some time in the past, has served to accentuate the supply.

In this connection, the report of the Municipal Securities Committee of the Investment Bankers' Association of America, suggesting a sound and economical procedure in the issuance of bonds by municipalities, is of value.[1] This report discusses in detail, possible safeguards through constitutional or legislative enactments, and a general bond law embodying best practices relative to the purpose and form of bonds, the sale of bonds, and in the financial condition and management of the municipality.

These statistics of indebtedness may be compared with the property valuation for any city by reference to the tabulation of tax rate data published in the REVIEW of December, 1930. In that table an estimate of the ratio of assessed to true value is included as a basis for computing actual property values.

This, the ninth annual tabulation, is the result of responses sent to 309 cities in the United States and seventeen cities in Canada, and only the coöperation of the public officials in those cities has made it possible. It is believed that the use of the official census figures for 1930 has added to the value of the compilation this year.

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[1] Complete copies of this report are available from the Finance Department of the Chamber of Commerce of the United States, Washington, or "The Bond Buyer," 67 Pearl St., New York, N. Y.

BONDED DEBT OF 257 CITIES AS AT JANUARY 1, 1931

COMPILED BY THE DETROIT BUREAU OF GOVERNMENTAL RESEARCH, INC.

From Data Furnished by Members of the Governmental Research Association, City Officials, and Chambers of Commerce

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total Gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
Group I *Population 500,000 and over*														
1. New York, N. Y.[1]	6,930,446	$519,218,428	$345,039,427	$1,129,120,717	$1,993,378,572	$425,046,431	..	..	..	$1,568,332,141	$1,116,899,034	$161.15	$77,337,000	1
2. Chicago, Ill.[2]	3,376,438	300,258,502	12,500,000	6,785,500	319,544,002	N.	..	..	..	319,544,002	319,544,002	94.64	....	2
3. Philadelphia, Pa.[3]	1,950,961	527,459,600	69,436,000	....	596,895,600	132,915,965	83	17	..	463,979,635	403,979,635*	207.07*	N.	3
4. Detroit, Mich.[4]	1,568,662	142,811,667	74,654,620	105,187,914	322,654,301	31,979,858	40	30	30	290,674,443	215,364,806	137.29	18,232,011	4
5. Los Angeles, Calif.[5]	1,238,048	39,832,160	52,020,538	109,918,950	201,771,648	3,961,637	..	..	100	197,810,011	91,852,698	74.19	11,155,000	5
6. Cleveland, Ohio[6]	900,430	85,586.509	27,194,000	32,702,500	145,483,009	18,683,590	70	17	13	126,799,419	96,606,760	101.74	11,989,549	6
7. St. Louis, Mo.	821,960	60,066,000	2,067,000	11,900,000	74,033,000	12,508,515	71	8	21	61,524,485	52,301,398	63.63	N.	7
8. Baltimore, Md.[7]	804,874	125,050,987	25,042,192	33,822,500	183,915,679	29,582,081	87	4	9	154,333,598	123,153,158	153.01	....	8
9. Boston, Mass.[8]	781,188	86,988,601	8,815,800	54,962,700	150,767,101	41,493,041	61	12	27	109,274,060	66,082,363	84.59	....	9
10. Pittsburgh, Pa.	669,817	52,467,200	25,075,209	8,847,500	86,389,909	5,783,035	58	33	9	80,606,874	72,298,483	107.93	N.	10
11. San Francisco, Calif.[9]	634,394	28,301,400	14,975,000	98,103,000	141,379,400	N.	..	..	..	141,379,400	74,939,400	118.13	N.	11
12. Milwaukee, Wis.[10]	578,249	39,313,107	9,422,500	71,000	48,806,607	3,788,157	77	22	1	45,018,450	44,963,450	77.76	N.	12
13. Buffalo, N. Y.	573,076	43,470,973	30,180,190	17,449,520	91,100,683	8,199,842	36	..	64	82,900,841	70,715,250	123.40	2,020,429	13
Group II *Population 300,000 to 500,000*														
14. Washington, D. C.	486,869	(No bonded	debt)											14
15. Minneapolis, Minn.[11]	464,356	$25,741,199	$22,890,049	$4,436,000	$53,067,248	$7,605,656	94	..	6	$45,461,592	$42,171,908	$90.82	$12,399,087	15
16. New Orleans, La.[12]	458,762	55,668,000	6,393,000	43,721,000	105,782,000	107,389	..	100	..	105,674,611	61,953,611	135.04	11,107,820	16
17. Cincinnati, Ohio[13]	451,160	56,624,873	17,669,500	43,529,230	117,823,603	38,948,249	58	8	34	78,875,354	55,774,349	123.62	5,425,897	17
18. Newark, N. J.	442,337	54,216,185	19,883,200	22,527,000	96,626,385	14,556,996	57	25	18	82,069,389	62,228,136	140.68	9,150,000	18
19. Kansas City, Mo.[14]	399,746	18,546,054	21,877,000	12,250,000	52,673,054	9,368,788	21	63	16	43,304,266	32,543,587	81.41	800,000*	19
20. Seattle, Wash.[15]	365,583	17,580,500	12,091,860	47,949,400	77,621,760	4,113,000	91	9	..	73,508,760	25,559,360	69.91	25,491,677	20
21. Indianapolis, Ind.[16]	364,161	17,694,940	11,481,500	N.	29,176,440	1,582,825	62	38	..	27,593,615	27,593,615	75.77	7,844,304	21
22. Rochester, N. Y.	328,132	24,500,000	13,189,750	12,344,500	50,034,250	7,236,739	24	11	65	42,797,511	35,129,837	107.06	12,098,500	22
23. Jersey City, N. J.[17]	316,715	22,751,000	15,905,500	19,032,254	57,688,754	9,428,480	29	18	53	48,260,274	34,179,864	107.92	2,912,333	23
24. Louisville, Ky.	307,745	22,303,900	8,966,400	1,079,000	32,349,300	5,715,063	81	11	8	26,634,237	26,042,451	84.62	....	24
25. Portland, Ore.[18]	301,815	26,543,078	10,238,377	20,601,000	57,382,456	7,658,875	47	..	53	49,723,581	33,178,092	109.93	8,094,663	25
Group III *Population 100,000 to 300,000*														
26. Houston, Texas	292,352	(Not	reporting)											26
27. Toledo, Ohio	290,718	$29,789,595	$14,329,000	$1,529,000	$45,647,595	$4,698,265	78	22	..	$40,949,329	$39,420,329	$135.59	$2,635,419	27
28. Columbus, Ohio[19]	290,564	21,050,940	10,365,334	10,119,000	41,535,274	15,321,150	78	22	..	26,214,124	16,095,124	55.39	10,906,810	28
29. Denver, Colo.[20]	287,861	500,000	9,788,500	37,600,600	47,889,100	3,071,229	8	..	92	44,817,871	10,053,295	34.92	9,801,200	29
30. Oakland, Calif.[21]	284,063	4,181,463	12,424,000	45,781,000	62,386,463	N.	..	..	..	62,386,463	23,386,463	82.33	....	30
31. St. Paul, Minn.	271,606	17,849,000	9,546,000	6,995,000	34,390,000	4,258,301	83	..	17	30,131,699	23,847,955	87.80	7,900,000	31

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total Gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
Group III—*Continued* *Population 100,000 to 300,000*														
32. Atlanta, Ga.	270,366	$7,247,000	$6,237,000	$3,425,000	$16,909,000	$1,975,174	47	14	39	$14,933,826	$12,271,411	$45.39	$1,712,900	32
33. Dallas, Texas	260,475	18,062,000	7,822,800	10,227,000	36,111,800	2,164,301	55	15	30	33,947,499	24,379,935	93.51	....	33
34. Birmingham, Ala.[22]	259,678	9,543,000	10,351,000	101,000	19,995,000	569,950	..	..	..	19,425,050	19,324,050	74.42	5,960,000	34
35. Akron, Ohio	255,040	22,472,283	10,600,431	11,794,000	44,866,715	2,283,546	22	16	62	42,583,169	32,220,137	126.33	7,098,021	35
36. Memphis, Tenn.	253,143	16,285,500	6,053,000	5,639,000	27,977,500	1,131,629	56	44	..	26,845,871	21,206,870	83.77	891,000	36
37. Providence, R. I.	252,981	20,089,000	9,450,000	18,500,000	48,039,000	14,069,568	32	15	53	33,969,432	22,995,344	90.90	....	37
38. San Antonio, Texas	231,542	17,578,000	6,903,250	6,714,000	31,195,250	1,243,940	61	30	9	29,951,310	23,343,521	100.82	....	38
39. Omaha, Neb.[23]	214,006	14,220,480	9,573,750	10,392,000	34,186,230	4,848,979	6	12	82	29,337,251	22,919,193	107.09	5,925,500	39
40. Syracuse, N. Y.	209,326	14,453,305	9,622,462	5,984,875	30,060,642	N.	..	..	..	30,060,642	24,075,767	115.02	4,592,000	40
41. Dayton, Ohio	200,982	11,453,869	8,308,770	4,634,000	24,396,639	3,002,278	79	..	21	21,394,361	17,384,958	86.50	1,961,039	41
42. Worcester, Mass.	195,311	5,146,000	1,307,000	4,693,200	11,146,200	1,416,585	48	..	52	9,729,615	5,779,288	29.59	N.	42
43. Oklahoma City, Okla.	185,389	13,259,000	7,582,600	6,535,000	27,376,600	7,476,481	42	25	33	19,900,119	15,850,810	85.50	6,298,460	43
44. Richmond, Va.[24]	182,929	24,499,685	6,175,395	7,155,550	37,830,630	9,266,438	72	14	14	28,564,192	22,675,122	123.96	N.	44
45. Youngstown, Ohio	170,002	(Not	reporting)											45
46. Grand Rapids, Mich.	168,592	6,007,000	4,420,250	3,626,000	14,053,250	2,549,438	49	..	51	11,503,812	9,167,302	54.37	5,103,900	46
47. Hartford, Conn.	164,072	12,863,000	8,056,599	4,470,000	25,389,599	4,060,462	55	28	17	21,329,137	17,563,533	107.05	....	47
48. Fort Worth, Texas	163,447	15,746,000	4,869,500*	5,586,000	26,201,500	2,683,995	41	31*	28	23,517,505	18,672,488	114.24	N.	48
49. New Haven, Conn.[22]	162,655	12,844,000	514,000	N.	13,358,000	1,094,489	..	..	..	12,263,511	12,263,511	75.40	N.	49
50. Flint, Mich.	156,492	7,478,000	9,352,500	2,885,000	19,716,000	1,625,118	26	28	46	18,090,882	15,949,572	101.91	3,108,544	50
51. Nashville, Tenn.[25]	153,866	11,605,000	1,712,000	3,646,000	16,963,000	1,058,133	..	..	..	15,904,867	12,258,867	79.67	....	51
52. Springfield, Mass.	149,900	8,699,600	2,984,900	7,205,000	18,889,500	N.	..	..	..	18,889,500	11,684,500	77.95	....	52
53. San Diego, Calif.	147,995	4,162,991	5,273,900	11,495,883	20,932,774	N.	..	..	..	20,932,774	20,932,774	141.44	....	53
54. Bridgeport, Conn.	147,716	10,578,000	4,514,000	N.	15,092,000	N.	..	..	..	15,092,000	15,092,000	102.17	....	54
55. Scranton, Pa.	143,433	2,535,000	4,970,000	N.	7,505,000	708,955	15	85	..	6,796,045	6,796,045	47.38	956,626	55
56. Des Moines, Ia.	142,559	5,504,111	7,834,500	5,410,000	18,748,611	607,114	..	..	100	18,141,497	13,338,611	93.56	....	56
57. Long Beach, Calif.[26]	142,032	10,828,184	8,216,607	5,496,000	24,540,791	N.	..	..	..	24,540,791	19,044,791	134.09	....	57
58. Tulsa, Okla.[27]	141,258	9,846,908	6,816 837	6,560,000	23,223,745	3,025,304	60	40	..	20,198,441	13,638,441	96.55	....	58
59. Salt Lake City, Utah	140 267	2,825,500	4,909,000*	2,723,000	10,457,500	141,000	100	..	..	10,316,500	7,593,500	54.14	1,047,240	59
60. Paterson, N. J.	138,513	(Not	reporting)											60
61. Yonkers, N. Y.	134,646	14,722,946	9,710,650	3,384,750	27,818,346	N.	..	..	..	27,818,346	24,433,596	181.46	2,492,000	61
62. Norfolk, Va.[28]	129,710	18,445,178	6,129,252	15,778,070	40,352,500	8,677,118	67	..	33	31,675,382	18,760,308	144.63	N.	62
63. Jacksonville, Fla.	129,549	(Not	reporting)											63
64. Albany, N. Y.[29]	127,413	16,709,395	....	12,363,000	29,072,395	1,793,918	87	..	13	27,278,476	15,145,735	118.87	3,530,000	64
65. Trenton, N. J.	123,356	(Not	reporting)											65
66. Kansas City, Kans.[30]	121,857	3,707,046	2,014,100	6,847,500	12,568,646	2,090,864	10	4	86	10,477,781	5,421,378	44.49	3,700,033	66
67. Chattanooga, Tenn.[22]	119,798	11,406,000	2,314,500	N.	13,720,500	262,350	..	..	..	13,458,150	13,458,150	112.34	650,000	67
68. Camden, N. J.	118,700	11,566,265	4,315,000	1,387,825	17,269,090	2,582,181	67	23	10	14,686,909	13,556,110	114.20	1,950,000	68
69. Erie, Pa.	115,967	6,368,987	4,961,000	1,730,013	13,060,000	743,477	72	..	28	12,316,523	10,793,521	93.07	1,620,540	69
70. Spokane, Wash.	115,514	3,014,000	1,647,000	1,402,000	6,063,000	1,994,656	45	34	21	4,068,344	3,091,950	26.77	1,544,723	70
71. Fall River, Mass.[31]	115,274	5,561,000	2,977,500	623,000	9,161,500	1,361,000	74	..	26	7,800,500	6,822,500	59.18	N.	71
72. Fort Wayne, Ind.	114,946	866,000	3,714,000	602,000	5,182,000	N.	..	..	..	5,182,000	4,580,000	39.84	....	72

BONDED DEBT OF 257 CITIES AS AT JANUARY 1, 1931—*Continued*

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total Gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
GROUP III—*Continued* *Population 100,000 to 300,000*														
73. Elizabeth, N. J.[22]	114,589	$ 1,958,750	$6,313,350	N.	$8,272,100	$599,536	..	..	..	$7,672,564	$7,672,564	$66.96	$6,016,273	73
74. Cambridge, Mass.	113,643	(Not	reporting)											74
75. New Bedford, Mass.	112,597	6,488,000	2,895,000	$1,329,000	10,712,000	754,554	100	..	..	9,957,446	8,628,446	76.63	....	75
76. Reading, Pa.	111,171	4,467,000	5,991,800	902,000	11,360,800	244,868	64	36	..	11,115,932	10,214,432	91.88	218,300	76
77. Wichita, Kans.	111,110	4,317,947	1,652,500	N.	5,970,447	43,030	..	100	..	5,927,417	5,927,417	53.35	3,458,154	77
78. Miami, Fla.	110,637	(Not	reporting)											78
79. Tacoma, Wash.[32]	106,817	3,446,000	2,336,000	13,603,495	19,385,495	1,021,901	100	..	..	18,363,594	4,760,099	44.56	2,252,671	79
80. Wilmington, Del.[33]	106,597	5,544,800	1,236,000	6,500,000	13,280,800	780,396	96	..	4	12,500,404	6,028,722	56.55	....	80
81. Knoxville, Tenn.	105,802	13,286,848	2,505,000	4,887,356	20,679,204	1,130,909	87	..	13	19,548,295	14,804,904	139.93	2,672,003	81
82. Peoria, Ill.	104,969	1,520,000	432,000	N.	1,952,000	N.	..	..	..	1,952,000	1,952,000	18.60	1,937,150	82
83. Canton, Ohio	104,906	6,057,576	6,176,000	1,299,600	13,533,176	2,984,530	96	..	4	10,548,646	9,249,046	88.16	2,753,399	83
84. South Bend, Ind.	104,193	1,380,000	3,847,500	890,000	6,117,500	220,159	91	..	9	5,897,340	5,027,322	48.25	6,959,806	84
85. Somerville, Mass.	103,908	1,028,000	2,356,000	N.	3,384,000	N.	..	..	..	3,384,000	3,384,000	32.57	....	85
86. El Paso, Texas	102,421	4,226,000	2,967,000	1,699,000	8,892,000	1,362,061	55	34	11	7,529,939	5,982,476	58.42	523,000	86
87. Lynn, Mass.[29]	102,320	6,775,200	....	1,087,500	7,862,700	570,859	32	..	68	7,291,841	6,593,362	64.47	....	87
88. Evansville, Ind.	102,249	1,298,300	2,646,000	1,543,000	5,487,300	209,752	100	..	..	4,877,548	3,334,548	32.61	818,230	88
89. Utica, N. Y.	101,740	9,260,897	1,833,599	N.	11,094,496	1,231,989	100	..	..	9,862,507	9,862,507	96.94	1,126,900	89
90. Duluth, Minn.	101,463	4,389,999	4,040,000	3,035,000	11,464,999	93,823	1	99	..	11,371,176	8,336,176	82.16	586,000	90
91. Tampa, Fla.[34]	101,161	7,795,000	4,953,000	2,934,000	15,682,000	1,397,633	68	30	2	14,284,367	11,383,697	112.53	3,598,000	91
92. Gary, Ind.	100,426	2,562,296	3,434,000*	N.	5,996,296	86,565	100	..	..	5,909,731	5,909,731	58.85	5,494,732	92
93. Lowell, Mass.	100,234	3,286,020	1,213,750	189,750	4,689,520	N.	..	..	..	4,689,520	4,499,770	44.89	....	93
GROUP IV *Population 50,000 to 100,000*														
94. Waterbury, Conn.	99,902	$7,660,000	$1,785,000	$7,484,000	$16,929,000	$139,213	100	..	..	$16,789,786	$9,305,786	$93.15	....	94
95. Schenectady, N. Y.	95,692	5,727,250	2,930,700	724,000	9,381,950	111,171	97	..	3	9,270,778	8,549,705	89.35	$1,558,599	95
96. Sacramento, Calif.	93,750	5,029,395	5,072,000	3,000,270	13,101,665	N.	..	..	..	13,101,665	9,941,395	106.04	2,365,949	96
97. Allentown, Pa.	92,563	5,047,000	4,608,500	N.	9,655,500	971,015	28	72	..	8,684,484	8,684,484	93.82	724,400	97
98. Bayonne, N. J.	88,979	(Not	reporting)											98
99. Wilkes-Barre, Pa.	86,626	3,141,000	886,000	N.	4,027,000	213,096	67	33	..	3,813,903	3,813,903	44.03	452,600	99
100. Rockford, Ill.	85,864	388,400	1,025,000	250,000	1,663,400	191,400	21	53	26	1,472,000	1,272,000	14.81	3,567,065	100
101. Lawrence, Mass.	85,068	2,876,250	1,307,500	252,000	4,435,750	41,211	..	..	100	4,394,538	4,183,750	49.18	409,500	101
102. Savannah, Ga.	85,024	4,361,500	323,000	210,000	4,894,500	247,000	100	..	..	4,647,500	4,437,500	52.19	....	102
103. Charlotte, N. C.	82,675	4,106,396	1,848,000	1,609,912	7,564,308	685,255	100	..	..	6,879,053	5,269,140	63.73	1,918,690	103
104. Berkeley, Calif.	82,109	914,692	1,897,250	N.	2,811,942	N.	..	..	..	2,811,942	2,811,942	34.25	258,679	104
105. Altoona, Pa.	82,054	(Not	reporting)											105
106. Little Rock, Ark.	81,679	2,290,000	2,374,000	N.	4,664,000	35,800	100	..	..	4,628,200	4,628,200	56.66	4,000,000*	106
107. St. Joseph, Mo.	80,935	4,115,850	2,622,000	N.	6,737,850	109,332	10	90	..	6,628,517	6,628,517	81.90	N.	107
108. Saginaw, Mich.	80,715	826,000	1,642,000	3,650,000	6,118,000	841,082	70	8	22	5,276,917	1,814,292	22.48	2,686,000	108
109. Harrisburg, Pa.	80,339	5,136,400	3,294,500	N.	8,430,900	378,453	45	55	..	8,052,447	8,052,447	100.23	....	109

BONDED DEBT OF 257 CITIES AS AT JANUARY 1, 1931—*Continued*

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total Gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
GROUP IV—*Continued* *Population 50,000 to 100,000*														
110. Sioux City, Ia.	79,183	$2,179,000	$1,658,000	$50,000	$3,887,000	$585,795	72	28	..	$3,301,205	$3,251,205	$41.06	....	110
111. Lansing, Mich.[35]	78,397	1,530,000	N.	4,432,700	5,962,700	886,456	..	..	100	5,076,243	1,530,000	19.52	$673,000	111
112. Pawtucket, R. I.[31]	77,149	7,088,000	3,614,000	2,941,000	13,643,000	2,895,702	86	..	14	10,747,297	8,192,422	106.18	....	112
113. Manchester, N. H.	76,834	3,173,334	1,603,666	110,000	4,887,000	N.	..	..	..	4,887,000	4,777,000	62.17	....	113
114. Binghamton, N. Y.	76,662	3,365,200	4,394,825	75,000	7,835,025	139,242	100	..	..	7,695,782	7,620,782	99.41	N.	114
115. Shreveport, La.	76,655	4,946,000	1,910,000*	3,502,000	10,358,000	209,329	1	99*	..	10,148,671	6,646,671	86.71	N.	115
116. Pasadena, Calif.[36]	76,086	4,747,638	3,776,455	1,400,662	9,924,755	N.	..	..	..	9,924,755	8,524,093	112.03	3,489,444	116
117. Lincoln, Nebr.[37]	75,933	552,132	4,467,000	335,600	5,354,732	270,949	26	2	72	5,083,783	4,942,921	65.09	2,286,462	117
118. Huntington, W. Va.	75,572	(Not	reporting)											118
119. Niagara Falls, N. Y.	75,460	5,875,300	5,837,129	1,887,330	13,599,759	180,444	..	.	100	13,419,304	11,712,419	155.21	N.	119
120. Winston-Salem, N. C.	75,274	(Not	reporting)											120
121. East St. Louis, Ill.	74,347	(Not	reporting)											121
122. Troy, N. Y.	72,763	3,240,791	1,479,700	1,300,725	6,021,216	N.	..	..	..	6,021,216	4,720,491	64.87	1,965,000	122
123. Quincy, Mass.	71,983	2,556,000	2,654,000	737,000	5,947,000	N.	..	..	..	5,947,000	5,210,000	72.38	137,000	123
124. Springfield, Ill.	71,864	(Not	reporting)											124
125. Portland, Me.	70,810	3,508,646	1,957,000	N.	5,465,646	673,644	100	..	..	4,792,001	4,792,001	67.67	......	125
126. Lakewood, Ohio	70,509	3,237,750	4,104,000	188,500	7,530,250	796,189	100	..	..	6,744,060	6,555,560	92.97	640,749	126
127. Roanoke, Va.	69,206	4,686,000	2,650,000	N.	7,336,000	1,000,342	..	..	..	6,335,658	6,335,658	91.55	......	127
128. Springfield, Ohio	68,743	3,392,980	1,577,491	550,000	5,520,472	756,912	93	7	..	4,763,559	4,213,559	61.29	1,099,532	128
129. Mobile, Ala.	68,202	2,868,000	1,000,000	1,965,000	5,833,000	1,056,771	98	2	..	4,776,229	2,811,229	41.22	4,643,000	129
130. New Britain Conn.[38]	68,128	2,239,000	3,549,000	1,799,000	7,587,000	681,067	54	10	36	6,905,933	5,355,632	78.61	N.	130
131. East Orange, N. J.	68,020	5,832,500	3,663,245	1,650,000	11,145,745	1,576,657	12	30	58	9,569,087	8,833,371	129.86	2,059,483	131
132. Racine, Wis.	67,542	2,369,000	2,019,000	995,000	5,383,000	N.	..	..	..	5,383,000	4,388,000	64.97	......	132
133. Johnstown, Pa.	66,993	4,679,000	4,166,000	N.	8,845,000	988,966	52	48	..	7,856,003	7,856,003	117.27	......	133
134. Cicero, Ill.	66,602	(Not	reporting)											134
135. Atlantic City, N. J.	66,198	23,370,000	4,031,000	2,664,000	30,065,000	2,426,020	55	19	26	27,638,979	25,611,347	386.89	......	135
136. Montgomery, Ala.	66,079	(Not	reporting)											136
137. Newton, Mass.	65,276	3,440,000	2,366,000	428,000	6,234,000	773,086	100	..	..	5,460,913	5,032,913	77.10	......	137
138. Covington, Ky.	65,252	439,700	840,000	2,027,300	3,307,000	10,000	..	100	..	3,297,000	1,269,700	19.46	30,576	138
139. Pontiac, Mich.	64,928	4,120,500	4,267,887	1,692,000	10,080,387	1,059,212	9	84	7	9,021,174	7,409,758	114.12	2,345,000	139
140. Hammond, Ind.	64,560	(Not	reporting)											140
141. Topeka, Kans.	64,120	3,365,700	1,931,200	867,600	6,164,500	298,864	42	16	42	5,865,635	4,871,048	75.97	1,722,812	141
142. Oak Park, Ill.	63,982	606,000	....	136,000	742,000	N.	..	..	..	742.000	606,000	......	2,250,700	142
143. Brockton, Mass.	63,797	1,709,500	473,750	1,597,300	3,780,550	664,891	..	..	100	3,115,658	2,183,250	34.22	....	143
144. Evanston, Ill.	63,338	747,000	3,177,000	104,000	4,028,000	N.	..	..	..	4,028,000	3,924,000	61.95	3,099,200	144
145. Passaic, N. J.	62,959	7,622,560	2,309,250	7,749,000	17,680,810	865,153	63	37	..	16,815,657	9,066,657	144.01	....	145
146. Terre Haute, Ind.	62,810	1,248,000	1,410,000	N.	2,658,000	610,621	91	9	..	2,047,379	2,047,379	32.60	....	146
147. Glendale, Calif.	62,736	1,717,250	4,703,000	630,900	7,051,150	N.	..	..	..	7,051,150	6,420,250	102.34	2,435,154	147
148. Charleston, S. C.	62,265	4,687,000	543,000*	4,000,000	9,230,000	642,007	15	..	85	8,587,993	5,134,884	82.47	1,883,000	148
149. Wheeling, W. Va.	61,659	1,322,500	20,000	2,000,000	3,342,500	327,934	32	..	68	3,014,566	1,342,500	21.77	N.	149
150. Mount Vernon, N. Y.	61,499	6,209,000	4,809,050	2,368,000	13,386,050	3,165,443	77	..	23	10,220,606	8,576,119	139.45	1,680,000	150

BONDED DEBT OF 257 CITIES AS AT JANUARY 1, 1931—*Continued*

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
GROUP IV—*Continued* *Population 50,000 to 100,000*														
151. Davenport, Ia.	60,751	$ 1,496,800	$1,190,000	N.	$2,686,800	$85,656	38	62	..	$2,601,143	$2,601,143	$42.82	$852,034	151
152. Charleston, W. Va.	60,408	1,314,000	2,294,000	N.	3,608,000	869,753	56	44	..	2,738,247	2,738,247	45.33	....	152
153. Augusta, Ga.	60,342	(Not	reporting)											153
154. Lancaster, Pa.	59,949	1,800,000	3,505,000	....	5,305,000	676,613	16	84	..	4,628,386	4,628,386	77.20	18,800	154
155. Medford, Mass.	59,714	1,735,200	2,091,800	$403,000	4,230,000	82,019	100	..	..	4,147,980	3,744,980	62.71	....	155
156. Hoboken, N. J.	59,261	5,931,617	3,612,635	289,000	9,833,252	1,832,107	58	38	4	8,001,145	7,784,539	131.36	21,000	156
157. Chester, Pa.	59,164	4,056,000	1,835,000	N.	5,891,000	1,279,650	39	61	..	4,611,349	4,611,349	77.94	364,900	157
158. Union City, N. J.	58,659	(Not	reporting)											158
159. Malden, Mass.	58,036	(Not	reporting)											159
160. Madison, Wis.[31]	57,899	2,711,700	2,815,000	487,000	6,013,700	271,816	..	..	..	5,741,884	5,254,884	90.76	....	160
161. Bethlehem, Pa.	57,892	(Not	reporting)											161
162. Beaumont, Texas[39]	57,732	4,542,500	2,466,138	2,123,500	9,132,138	779,535	34	24	42	8,352,603	7,657,603	132.64	N.	162
163. San Jose, Calif.	57,651	1,057,275	2,393,000	N.	3,450,275	N.	..	..	..	3,450,275	3,450,275	59.85	300,000	163
164. Springfield, Mo.	57,527	867,000	1,903,500	N.	2,770,500	125,544	77	23	..	2,644,956	2,644,956	45.98	N.	164
165. Decatur, Ill.	57,510	(Not	reporting)											165
166. Irvington, N. J.	56,733	2,638,756	4,266,150	N.	6,904,906	383,319	80	20	..	6,521,586	6,521,586	114.95	1,123,243	166
167. Holyoke, Mass.[40]	56,537	2,810,500	N.	1,986,000	4,796,500	226,500	..	..	100	4,570,000	2,810,500	49.71	....	167
168. Hamtramck, Mich.	56,268	2,623,800	3,239,000	N.	5,862,800	700,720	55	45	..	5,162,080	5,162,080	91.74	226,291	168
169. Cedar Rapids, Ia.	56,097	2,164,700	1,577,000	890,000	4,631,700	N.	..	..	..	4,631,700	3,741,700	66.70	....	169
170. York, Pa.	55,254	1,593,000	2,220,000	N.	3,813,000	602,316	73	27	..	3,210,683	3,210,683	58.11	....	170
171. Jackson, Mich.	55,187	1,942,229	2,425,000	997,375	5,364,604	156,865	71	..	29	5,207,739	4,256,229	77.12	674,500	171
172. Kalamazoo, Mich.	54,786	35,000	2,444,000	39,000	2,518,000	131,211	7	93	..	2,386,788	2,347,788	42.85	1,001,980	172
173. East Chicago, Ind.	54,784	1,028,000	1,629,000	2,408,000	5,065,000	353,899	8	..	92	4,711,101	2,630,288	48.01	1,420,596	173
174. McKeesport, Pa.	54,632	(Not	reporting)											174
175. New Rochelle, N. Y.	54,000	4,233,000	5,988,676	N.	10,221,676	359,918	100	..	..	9,861,757	9,861,757	182.62	1,398,421	175
176. Macon, Ga.	53,829	1,056,000	....	440,000	1,496,000	N.	..	..	..	1,496,000	1,056,000	......	....	176
177. Greensboro, N. C.	53,569	11,919,522	933,000	2,950,477	15,803,000	463,578	68	..	32	15,339,422	12,538,618	234.06	5,472,847	177
178. Austin, Texas	53,120	5,125,000	1,277,000	N.	6,402,000	123,821	..	..	..	6,278,178	6,278,178	118.19	N.	178
179. Highland Park, Mich.[31]	52,959	2,668,400	3,915,000	1,252,626	7,836,026	3,052,949	74	26	..	4,783,076	3,530,450	66.66	125,400	179
180. Galveston, Texas	52,938	6,052,270	1,732,230	732,500	8,517,000	365,917	79	15	6	8,151,082	7,442,811	140.59	N.	180
181. Waco, Texas	52,848	2,777,500	1,785,300	2,725,000	7,287,800	1,302,868	45	22	33	5,984,932	3,690,697	69.84	....	181
182. Fresno, Calif.	52,513	562,000	3,790,000	N.	4,352,000	N.	..	..	..	4,352,000	4,352,000	82.87	....	182
183. Hamilton, Ohio[41]	52,176	1,352,264	1,408,439	1,324,830	4,085,533	701,126	48	14	38	3,384,407	2,760,703	52.91	720,986	183
184. Durham, N. C.	52,037	(Not	reporting)											184
185. Columbia, S. C.	51,581	(Not	reporting)											185
186. Cleveland Hts., Ohio	50,945	2,025,772	7,382,000	34,000	9,441,772	891,548	61	39	..	8,550,224	8,550,224	167.83	3,214,872	186
187. Port Arthur, Texas	50,902	(Not	reporting)											187
188. Dearborn, Mich.	50,358	9,661,800	9,194,551	2,321,000	21,177,351	2,639,735	75	10	15	18,537,616	16,605,644	329.75	2,896,925	188
189. Kenosha, Wis.	50,262	200,000	2,891,000	244,000	3,335,000	N.	..	..	..	3,335,000	3,091,000	61.55	1,130,000	189
190. Asheville, N. C.	50,193	(Not	reporting)											190
191. Pueblo, Colo.[34]	50,096	500,000	1,354,000	1,405,000	3,264,000	154,321	5	23	72	3,109,679	1,816,377	36.25	1,945,300	191

BONDED DEBT OF 257 CITIES AS AT JANUARY 1, 1931—*Continued*

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total Gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
GROUP V *Population 30,000 to 50,000*														
192. Pittsfield, Mass.	49,677	$955,400	$1,415,000	$699,000	$3,069,400	N.	..	..	..	$3,069,400	$2,370,400	$47.72	....	192
193. Woonsocket, R. I.	49,376	7,713,000	1,234,000	1,275,000	10,222,000	$1,555,061	80	5	15	8,666,938	7,629,487	154.52	....	193
194. Haverhill, Mass.	48,710	1,022,000	236,000	287,000	1,545,000	22,000	100	..	..	1,523,000	1,236,000	25.37	....	194
195. New Castle, Pa.	48,674	970,000	2,380,000	N.	3,350,000	124,924	52	48	..	3,225,076	3,225,076	66.26	$237,327	195
196. Everett, Mass.	48,424	1,189,000	897,500	122,000	2,208,500	361,472	100	..	..	1,847,027	1,725,027	35.62	676,900	196
197. Jackson, Miss.	48,282	(Not	reporting)											197
198. Phoenix, Ariz.	48,118	(Not	reporting)											198
199. Stockton, Calif.	47,963	4,988,525	1,292,000	N.	6,280,525	N.	..	..	..	6,280,525	6,280,525	130.94	....	199
200. Brookline, Mass.	47,490	1,186,550	1,007,800	372,500	2,566,850	N.	..	..	..	2,566,850	2,194,350	46.21	....	200
201. Elmira, N. Y.	47,397	1,690,500	1,024,000	935,000	3,649,500	....	..	..	..	3,649,500	2,714,500	57.27	....	201
202. Bay City, Mich.	47,355	205,000	1,885,000	1,853,000	3,943,000	1,155,792	15	72	13	2,787,207	1,164,221	24.58	80,000	202
203. Berwyn, Ill.	47,027	(Not	reporting)											203
204. Clifton, N. J.	46,875	3,401,500	2,372,400	4,593,000	10,366,900	138,988	45	55	..	10,227,912	5,634,912	120.21	....	204
205. Aurora, Ill.	45,589	(Not	reporting)											205
206. Muncie, Ind.	46,548	320,678	1,016,000	N.	1,336,678	73,550	19	81	..	1,263,128	1,263,128	27.14	....	206
207. Stamford, Conn.	46,346	(Not	reporting)											207
208. Waterloo, Ia.	46,191	577,678	1,480,500	280,000	2,338,178	117,100	86	11	3	2,221,078	1,944,178	42.09	109,800	208
209. Chelsea, Mass.	45,816	1,736,950	934,500	122,000	2,793,450	467,421	74	26	..	2,326,028	2,204,028	48.11	N.	209
210. Lexington, Ky.	45,736	(Not	reporting)											210
211. Williamsport, Pa.	45,729	967,000	1,243,900	N.	2,210,900	323,575	74	26	..	1,887,324	1,887,324	41.27	221,500	211
212. Portsmouth, Va.	45,704	5,335,600	776,000	2,950,000	9,061,600	1,558,641	38	..	62	7,502,959	5,525,824	120.90	N.	212
213. Jamestown, N. Y.[42]	45,155	1,440,538	1,770,000	994,500	4,205,038	103,953	..	..	100	4,101,085	3,210,538	71.10	832,823	213
214. Lorain, Ohio	44,512	1,358,976	1,410,225	493,000	3,262,201	513,786	70	6	24	2,748,414	2,382,038	53.51	1,825,876	214
215. Chicopee, Mass.[43]	43,930	981,400	489,500	614,000	2,084,900	N.	...	...	...	2,084,900	1,470,900	33.48	N.	215
216. Wichita Falls, Texas[44]	43,690	2,767,000	1,912,000	4,875,000	9,554,000	1,003,534	2	1	97	8,550,465	4,650,634	106.45	....	216
217. Battle Creek, Mich.	43,573	1,942,500	1,148,500	N.	3,091,000	N.	...	...	...	3,091,000	3,091,000	70.94	....	217
218. Perth Amboy, N. J.[45]	43,516	2,108,000	1,979,000	2,805.000	6,892,000	825,744	15	39	46	6,066,255	3,638,263	83.60	....	218
219. Salem, Mass.	43,353	758,500	706,500	379,500	1,844,500	N.	...	...	...	1,844,500	1,465,000	33.79	....	219
220. Amarillo, Texas	43,132	2,748,000	2,087,000	2,032,000	6,903,000	749,367	57	20	23	6,153,632	4,295,030	99.58	....	220
221. Columbus, Ga.	43,131	(Not	reporting)											221
222. Joliet, Ill.	42,993	1,790,500	2,070,000	N.	3,860,500	46,987	100	...	...	3,813,513	3,813,513	88.70	1,325,800	222
223. Cranston, R. I.	42,911	1,127,000	2,339,000	N.	3,466,000	342,801	100	...	...	3,123,198	3,123,198	72.78	....	223
224. Portsmouth, Ohio	42,560	(Not	reporting)											224
225. Lima, Ohio	42,287	3,462,260	827,101	849,000	5,138,362	119,854	99	...	1	5,018,507	4,170,507	98.62	935,471	225
226. Council Bluffs, Ia.	42,048	(Not	reporting)											226
227. Montclair, N. J.	42,017	(Not	reporting)											227
228. Dubuque, Ia.	41,679	1,312,063	1,204,000	634,500	3,150,563	434,741	16	49	35	2,715,822	2,555,954	61.32	567,400	228
229. Muskegon, Mich.	41,390	1,231,000	2,165,000	372,500	3,768,500	251,087	87	...	13	3,517,412	3,112,648	75.20	941,480	229
230. Warren, Ohio	41,062	1,789,636	2,240,601	759,945	4,790,183	239,728	23	41	36	4,550,454	3,877,275	94.42	748,472	230
231. Kearny, N. J.	40,716	(Not	reporting)											231

BONDED DEBT OF 257 CITIES AS AT JANUARY 1, 1931—*Continued*

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
Group V—*Continued* *Population 30,000 to 50,000*														
232. Fitchburg, Mass.	40,692	$1,255,000	$393,000	$638,800	$2,286,800	N.	...	...	...	$2,286,800	$1,648,000	$40.50	N.	232
233. Lynchburg, Va.	40,661	2,506,179	1,041,670	1,808,500	5,356,349	$1,430,100	67	...	33	3,926,248	2,594,748	63.81	N.	233
234. St. Petersburg, Fla.[46]	40,425	7,617,600	2,730,750	4,369,000	14,717,350	1,708,030	98	2	...	13,009,319	8,640,319	213.74	$12,505,000	234
235. Poughkeepsie, N. Y.	40,288	1,240,000	1,694,000	796,000	3,730,000	78,603	93	7	...	3,651,397	2,855,397	70.87	1,754,819	235
236. Ogden, Utah	40,272	1,814,000	828,000	967,500	3,609,500	70,525	63	26	11	3,538,974	2,578,974	64.04	1,004,971	236
237. Oshkosh, Wis.	40,108	318,000	599,000	377,000	1,294,000	N.	...	...	...	1,294,000	917,000	22.86	N.	237
238. Anderson, Ind.	39,804	(Not	reporting)											238
239. East Cleveland, Ohio	39,667	(Not	reporting)											239
240. La Crosse, Wis.	39,614	490,000	659,000	584,000	1,733,000	483,750	...	9	91	1,249,250	1,104,250	27.87	265,022	240
241. Butte, Mont.	39,532	(Not	reporting)											241
242. Sheboygan, Wis.	39,251	214,000	575,000	N.	789,000	N.	...	...	...	789,000	789,000	20.10	207,172	242
243. Waltham, Mass.	39,247	(Not	reporting)											243
244. Quincy, Ill.	39,241	(Not	reporting)											244
245. Meriden, Conn.	38,481	(Not	reporting)											245
246. Bloomfield, N. J.	38,077	2,001,000	2,709,500	1,460,000	6,170,500	203,226	66	8	26	5,967,273	4,559,818	119.75	1,873,000	246
247. Rock Island, Ill.	37,953	(Not	reporting)											247
248. Cumberland, Md.	37,747	1,575,000	....	2,244,900	3,819,900	388,135	35	...	65	3,431,765	1,439,084	......	N.	248
249. San Bernardino, Calif.	37,481	890,666	1,726,000	308,825	2,925,491	N.	...	...	...	2,925,491	2,616,666	69.81	....	249
250. Green Bay, Wis.	37,415	607,000	1,388,000	900,000	2,895,000	N.	...	...	...	2,895,000	1,995,000	53.32	....	250
251. Raleigh, N. C.	37,379	(Not	reporting)											251
252. Taunton, Mass.[47]	37,355	813,200	892,000	1,255,000	2,960,200	417,273	3	...	97	2,542,926	1,693,735	45.34	....	252
253. Santa Monica, Calif.	37,146	(Not	reporting)											253
254. West New York, N. J.	37,107	(Not	reporting)											254
255. Hazleton, Pa.	36,765	2,003,000	1,467,000	N.	3,470,000	177,065	26	74	...	3,292,934	3,292,934	89.57	....	255
256. Danville, Ill.	36,765	(Not	reporting)											256
257. High Point, N. C.[22]	36,745	2,091,000	1,141,000	2,309,000	5,541,000	850,918	...	...	...	4,690,082	2,381,082	64.80	3,026,000	257
258. Auburn, N. Y.	36,652	621,203	34,000	271,000	926,203	39,381	...	...	100	886,822	655,203	17.88	375,335	258
259. Lanesville, Ohio	36,440	626,895	862,883	311,500	1,801,278	363,726	65	35	...	1,437,552	1,126,052	30.90	284,001	259
260. Superior, Wis.	36,113	760,000	1,246,000	N.	2,006,000	121,974	40	60	...	1,884,026	1,884,026	52.17	....	260
261. Arlington, Mass.	36,094	(Not	reporting)											261
262. Norwalk, Conn.	36,019	(Not	reporting)											262
263. Elgin, Ill.	35,929	1,085,894	155,000	N.	1,240,894	N.	...	...	...	1,240,894	1,240,894	34.54	1,800,000	263
264. Norristown, Pa.	35,853	(Not	reporting)											264
265. White Plains, N. Y.	35,830	5,082,608	5,932,000	1,813,800	12,828,408	81,916	100	...	...	12,746,491	10,932,691	305.12	160,000	265
266. Revere, Mass.	35,680	786,000	1,031,000	281,000	2,098,000	N.	...	...	...	2,098 000	1,817,000	50.92	N.	266
267. Steubenville, Ohio	35,422	240,254	974,750*	77,846	1,292,850	156,021	35	56*	9	1,136,829	1,072,820	30.29	....	267
268. Orange, N. J.	35,399	2,695,000	1,544,500	380,000	4,619,500	965,937	46	30	24	3,653,562	3,511,538	99.20	N.	268
269. Alameda, Calif.	35,033	243,870	1,472,175	105,205	1,821,250	N.	...	...	...	1,821,250	1,716,045	48.98	....	269
270. Lewiston, Me.	34,948	710,500	565,000	401,000	1,676,500	225,000	100	...	...	1,451,500	1,050,500	30.05	N.	270
271. Watertown, Mass.	34,913	527,000	1,353,000	102,000	1,982,000	N.	...	...	...	1,982,000	1,880,000	53.85	....	271
272. Amsterdam, N. Y.	34,817	483,320	2,170,850	77,000	2,731,170	155,007	88	9	3	2,576,062	2,504,036	71.92	....	272

BONDED DEBT OF 257 CITIES AS AT JANUARY 1, 1931—*Continued*

City	Census 1930	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total Gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
Group V—*Continued* *Population 30,000 to 50,000*														
273. West Allis, Wis.	34,671	(Not	reporting)											273
274. New Brunswick, N. J.	34,555	$1,994,000	$1,540,000	$1,303,000	$4,837,000	$228,000	100	...	...	$4,609,000	$3,306,000	$95.67	$523,000	274
275. Easton, Pa.	34,468	(Not	reporting)											275
276. Plainfield, N. J.	34,422	2,909,000	1,201,000	N.	4,110,000	201,531	...	...	...	3,908,468	3,908,468	113.54	633,000	276
277. Newport News, Va.[31]	34,417	2,413,500	1,015,500	3,174,000	6,603,000	624,868	100	...	...	5,978,131	2,804,131	81.47	N.	277
278. Santa Barbara, Calif.	33,613	1,498,525	1,804,550*	751,750	4,054,825	N.	...	...	...	4,054,825	3,303,075	98.27	....	278
279. Paducah, Ky.	33,541	(Not	reporting)											279
280. Mansfield, Ohio[27]	33,525	928,350	1,196,000	190,000	2,314,350	200,164	100	...	...	2,114,186	1,924,186	57.39	....	280
281. Waukegan, Ill.	33,499	(Not	reporting)											281
282. Norwood, Ohio	33,411	2,046,762	1,323,500	271,950	3,642,212	1,079,706	100	...	...	2,562,506	2,290,556	68.56	125,095	282
283. Sioux Falls, S. Dak.	33,362	940,000	1,382,000	401,000	2,723,000	1,247,139	21	62	17	1,475,860	1,289,339	38.65	N.	283
284. Colorado Springs, Colo.[48]	33,237	787,000	1,100,000	2,563,000	4,450,000	N.	...	...	...	4,450,000	1,887,000	56.77	409,300	284
285. Elkhart, Ind.	32,949	(Not	reporting)											285
286. Kokomo, Ind.	32,843	(Not	reporting)											286
287. Laredo, Texas	32,618	(Not	reporting)											287
288. Tucson, Ariz.[27]	32,506	1,881,783	....	980,900	2,862,683	489,654	100	...	...	2,373,029	1,392,129	......	1,425,029	288
289. Richmond, Ind.	32,493	(Not	reporting)											289
290. Rome, N. Y.	32,338	592,833	891,500	358,000	1,842,333	N.	...	...	...	1,842,333	1,484,333	45.90	306,494	290
291. Wilmington, N. C.	32,270	2,479,700	....	801,000	3,280,700	29,832	100	...	...	3,250,867	2,449,867	......	....	291
292. Moline, Ill.	32,236	N.	570,000	20,000	590,000	N.	...	...	...	590,000	570,000	17.68	869,600	292
293. Watertown, N. Y.	32,205	1,017,485	1,710,350	984,000	3,711,835	160,375	...	...	...	3,551,460	2,567,460	79.72	226,653	293
294. Muskogee, Okla.	32,026	2,198,093	1,205,000	974,000	4,377,093	2,101,896	42	24	34	2,275,196	2,012,796	62.85	500,000	294
295. Meridian, Miss.	31,954	(Not	reporting)											295
296. Pensacola, Fla.	31,579	(Not	reporting)											296
297. Nashua, N. H.	31,463	1,328,500	591,500	N.	1,920,000	308,208	83	17	...	1,611,791	1,611,791	51.23	N.	297
298. Fort Smith, Ark.	31,429	(Not	reporting)											298
299. Port Huron, Mich.	31,361	1,003,933	648,000	278,000	1,929,933	93,844	100	...	...	1,836,089	1,558,089	49.68	621,739	299
300. Newburgh, N. Y.	31,275	686,995	1,228,536	760,731	2,676,262	N.	...	...	...	2,676,262	1,915,531	61.25	....	300
301. Marion, Ohio	31,084	(Not	reporting)											301
302. Bloomington, Ill.	30,930	275,000	....	N.	275,000	50,250	100	...	...	224,750	224,750	......	297,500	302
303. Hagerstown, Md.	30,861	(Not	reporting)											303
304. Bellingham, Wash.	30,823	587,000	96,000	423,000	1,106,000	64,354	...	100	...	1,041,646	618,646	20.07	765,867	304
305. Baton Rouge, La.	30,729	(Not	reporting)											305
306. Newark, Ohio	30,596	732,500	980,850	397,000	2,110,350	199,362	43	...	57	1,910,987	1,626,634	53.16	218,000	306
307. Everett, Wash.	30,567	676,500	396,000	3,319,500	4,392,000	764,775	60	2	38	3,627,225	1,935,788	63.33	515,185	307
308. Santa Ana, Calif.	30,322	633,960	1,987,100	204,100	2,825,160	119,575	33	56	11	2,705,584	2,514,553	82.93	1,182,612	308
309. Alton, Ill.	30,151	(Not	reporting)											309

BONDED DEBT OF 257 CITIES AS AT JANUARY 1, 1931—*Concluded*

City	Population 1929 Estimate	Gross Bonded Debt				Sinking Fund				Net Bonded Debt			Total Gross special assessment debt	No.
		General improvement	Public school	Public utility	Total	Total	General improvement (per cent)	Public school (per cent)	Public utility (per cent)	Total	Excluding self-supporting	Per capita excluding self-supporting		
CANADIAN CITIES														
1. Montreal, Que.[49]	790,000	$150,674,505	....	$40,986,923	$191,661,428	$18,940,943	...	...	...	$172,720,485	$131,733,561	......	....	1
2. Toronto, Ont.[50]	621,596	49,745,010	$27,135,152	91,973,558	168,853,720	24,052,155	30	20	50	144,801,565	64,817,552	$104.28	$15,142,290	2
3. Vancouver, B. C.	240,421	40,462,357	10,458,176	6,403,433	57,413,966	12,351,598	71	17	12	45,062,368	40,162,354	167.05	7,575,384	3
4. Winnipeg, Man.[51]	209,286	9,808,827	9,125,000	32,716,331	51,650,158	15,328,999	34	8	58	36,321,159	12,529,582	59.87	13,063,977	4
5. Hamilton, Ont.[52]	144,525	12,360,251	5,563,192	8,033,888	25,957,331	4,365,512	40	14	46	21,591,819	15,566,853	107.71	2,075,476	5
6. Quebec, Que.	137,000	18,412,949	5,354,000	5,810,525	29,577,474	2,381,035	53	37	10	27,196,439	21,636,080	157.92	....	6
7. Ottawa, Ont.[53]	125,496	8,508,238	4,076,395	4,819,951	17,404,584	5,666,355	53	17	30	11,738,229	8,616,141	68.66	4,042,246	7
8. Calgary, Alta.[54]	78,000	10,843,067	3,224,283	11,352,995	25,420,345	8,491,036	50	...	50	16,929,309	9,841,635	126.17	5,480,485	8
9. Edmonton, Alta.	74,298	(Not	reporting)											9
10. London, Ont.[55]	71,310	3,411,303	3,005,521	5,296,214	11,713,038	1,702,512	33	26	41	10,010,526	5,410,008	75.87	1,928,560	10
11. Windsor, Ont.[56]	70,031	7,233,744	3,541,239	3,413,685	14,188,668	184,341	...	61	39	14,004,327	10,663,022	152.26	....	11
12. Halifax, N. S.	65,000	(Not	reporting)											12
13. St. John, N. B.[57]	55,000	3,436,618	1,753,500	4,654,286	9,844,404	3,917,822	86	11	3	5,926,582	....	......	....	13
14. Regina, Sask.[58]	55,000	6,889,819	3,087,433	7,471,785	17,449,037	4,823,431	42	15	43	12,625,606	7,246,159	131.74	2,396,395	14
15. Saskatoon, Sask.[59]	45,000	4,684,390	2,787,182	4,835,880	12,307,452	3,326,966	40	11	49	8,980,486	5,787,684	128.62	2,507,464	15
16. Victoria, B. C.	42,000	10,604,938	1,354,949	3,834,657	15,794,544	3,414,198	57	26	17	12,380,346	9,140,398	217.62	83,672	16
17. Three Rivers, Que.	39,000	(Not	reporting)											17

*=Estimated. N.=None.

[1] *New York City.* Gross debt excludes $57,130,000 corporate stock notes for various purposes; utility bonds include rapid transit, $636,109,888, and docks, $166,862,500; sinking funds not separately reported.

[2] *Chicago.* General bonds include sanitary district bonds, $96,379,902, 86 per cent of the total debt of the district, based upon the proportion of taxable values within the city. Debt reported does not include county, $33,790,000, or forest preserve district (co-extensive with county) bonds, $49,900,000; 83.88 per cent of the taxable values of the county are within the city. Utility bonds include street lighting, $6,490,000.

[3] *Philadelphia.* Includes city and county; general bonds include utility debt, not separated. Self-supporting debt is estimated.

[4] *Detroit.* Utility bonds include street railway, $27,687,000, and lighting, $20,894,000; in addition to the debt there is a street railway purchase contract for $8,580,000.

[5] *Los Angeles.* Debt reported excludes flood control, $9,195,069, based upon the proportion of 61.3 per cent of the flood control district valuation in the city; utility bonds include light and power, $38,104,000, and harbor, $23,263,000; school bonds are issued by the county, amount reported being the city's prorated share based upon valuation, 86.7 per cent of total.

[6] *Cleveland.* Utility bonds include light and power, $6,589,000.

[7] *Baltimore.* Utility bonds include Western Maryland Railroad, $1,875,000.

[8] *Boston.* Utility bonds include rapid transit, $54,424,700. County debt, $1,889,000, which is paid by the city, not included.

[9] *San Francisco.* Utility bonds include street railway, $2,603,000.

[10] *Milwaukee.* Debt does not include metropolitan sewerage commission, $21,432,000, 79.47 per cent of which is paid by the city.

[11] *Minneapolis.* Utility bonds include light and power, $50,000, market, $23,000, and river terminal $715,000; general sinking fund includes school.

[12] *New Orleans.* General bonds include water, sewerage and drainage, $8,977,000; utility bonds include Public Belt Railroad, $3,000,000, and port, $40,721,000. Debt reported does not include levee district bonds, $11,754,000.

[13] *Cincinnati.* Utility bonds include rapid transit, $6,100,000, airport, $940,000, and Cincinnati Southern Railway, $21,832,000; annual rental revenues of the railway are in excess of its debt charges, being equivalent to debt charges on $10,000,000 general four per cent bonds.

[14] *Kansas City.* Special assessment debt reported is estimated amount of assessment certificates and tax bills; secured by benefited property only.

[15] *Seattle.* Utility bonds include light and power, $30,977,000, and street railway, $10,038,400.

[16] *Indianapolis.* General bonds include park district, $3,223,720, and sanitation, $3,511,000.

[17] *Jersey City.* Utility bonds include docks, $251,000. Debt reported does not include tax revenue and emergency bonds, $16,104,262, with sinking fund of $6,285,007.

[18] *Portland.* General bonds include dock, $8,109,800, and city's portion (93.61 per cent) of port, $4,221,000; utility bonds include golf, $127,000; school bonds, are 97.36 per cent of total as city's portion. The city's portion (91.31 per cent) of county debt, $11,486,798; is not included.

[19] *Columbus.* Utility bonds include light and power, $2,022,000; general sinking fund includes utility and special assessment.

[20] *Denver.* Includes city and county; utility bonds include city's portion of Moffat tunnel, $15,470,000.

[21] *Oakland.* Utility bonds include harbor, $6,781,000, and city's portion of water district bonds.

[22] *Birmingham, New Haven, Chattanooga, Elizabeth, High Point.* Sinking funds not separated.

[23] *Omaha.* Utility bonds include gas, $3,500,000.

[24] *Richmond.* Utility bonds include gas, $3,349,550, and light and power, $300,000.

[25] *Nashville.* Utility bonds include light and power, $211,000; sinking fund not separated.

[26] *Long Beach.* Utility bonds include gas, $3,856,000.

[27] *Tulsa, Mansfield, Tucson.* General sinking fund includes utility.

[28] *Norfolk.* Utility bonds include dock and terminal, $6,111,348; general sinking fund includes school.

[29] *Albany, Lynn.* General debt and sinking fund includes school.

[30] *Kansas City, Kansas.* Utility bonds include light and power, $2,795,500.

[31] *Fall River, Pawtucket, Madison, Highland Park, Newport News.* General sinking fund includes school.

[32] *Tacoma.* Utility bonds include light and power, $9,292,000, street railway, $348,000, and garbage, $97,000.

[33] *Wilmington.* Utility bonds include harbor, $2,650,000; general sinking fund includes school.

[34] *Tampa, Pueblo.* School debt reported is for entire school district of which a large portion is in the city.

[35] *Lansing.* Utility bonds include light and power, $3,222,700.

[36] *Pasadena.* Utility bonds include light and power, $453,600.

[37] *Lincoln.* Utility bonds include commercial light, $100,000, and street light, $100,000; school debt reported is for a district larger than the city.

[38] *New Britain.* Utility bonds include subway for wires, $439,000.

[39] *Beaumont.* Utility bonds include wharves, $1,223,500.

[40] *Holyoke.* Utility bonds include light and power, $1,283,000, and Holyoke and Westfield Railroad, $163,000; the utility sinking fund is Holyoke and Westfield Railroad.

[41] *Hamilton.* Utility bonds include light and power, $682,500, and gas, $305,830.

[42] *Jamestown.* Utility bonds include light and power, $155,000, and market, $28,000.

[43] *Chicopee.* Utility bonds include light and power, $50,500.

[44] *Wichita Falls.* Utility bonds include water improvement district, $4,083,000 not self-supporting.

[45] *Perth Amboy.* Utility bonds include light and power, $155,000.

[46] *St. Petersburg.* Utility bonds include light and power, $535,000, street railway, $1,175,000, and gas $1,073,000.

[47] *Taunton.* Utility bonds include light and power, $726,000, and street railway, $9,000.

[48] *Colorado Springs.* Utility bonds include light and power, $1,658,000; school debt reported is for district larger than the city.

CANADIAN CITIES

[49] *Montreal.* General bonds include schools, sinking funds not separated.

[50] *Toronto.* Utility bonds include light and power, $27,149,445, street railway, $35,881,900, abattoir, $304,000, radials, $2,422,631, exhibition buildings, $3,202,739, ferries, $132,000, royal winter fair, $1,821,190 and housing, $554,000; school debt includes separate (Roman Catholic) school board, $2,315,000.

[51] *Winnipeg.* Utility bonds include light and power, $21,727,000, steam heating, $1,450,000, and housing $2,650,000.

[52] *Hamilton.* Utility bonds include light and power, $3,598,576.

[53] *Ottawa.* Utility bonds include light and power, $942,421.

[54] *Calgary.* Utility bonds include light and power, $3,037,871, street railway, $2,815,096, and hospitals $325,095.

[55] *London.* Data as at January 1, 1930; utility bonds include light and power, $1,476,900, electric railway, $1,638,500, and housing, $694,364.

[56] *Windsor.* Utility bonds include light and power, $1,374,000, and housing ,$1,090,000.

[57] *St. John.* Utility bonds include light and power, $758,639, ferry, $234,800, market, $70,000, and housing, $35,427; harbor bonds, $1,467,164, have been assumed by the Dominion government.

[58] *Regina.* Utility bonds include light and power, $2,129,753, and street railway, $1,946,018.

[59] *Saskatoon.* Utility bonds include light and power, $2,181,447, and street railway, $1,400,419.

RECENT BOOKS REVIEWED

Public Reporting. National Committee on Municipal Reporting. New York: Municipal Administration Service, 1931. 158 pp. 75 cents.

This monograph is the product of a coöperative inquiry into American municipal reporting by the National Committee on Municipal Reporting, C. O. Sherrill, chairman. The national committee composed of representatives of the American Municipal Association, the Governmental Research Association, the International City Managers' Association and the National Municipal League pursued its labors for two years. The result is a comprehensive series of recommendations for the drafting of municipal reports.

The material is divided into three parts. In Part I the committee calls attention to the numerous counts against current public reporting. Emphasis is placed on the need for timely news releases, as well as annual or periodic reports. The need for the establishment of definite reporting agencies in municipal government rather than the haphazard practice of loading the task on any available official is stressed. Part I also contains a general discussion of proper subject matter of reports and the various methods of presenting this material.

Part II proposes an outline for the annual report. A municipality reporting in accordance with the specifications of the committee would first indicate clearly the part played by the average citizen in the municipal job. Secondly, it would delineate the part of the council, the executive, the courts, and the staff agencies in general administration. Thirdly, the city would present a record of functional services, tabulating the measurable accomplishments of the line departments. Finally, such a model report would discuss pending municipal projects, plans and financing for the city of tomorrow. The committee emphasizes the point that this is merely a suggested outline of immediate practicality for cities following its reporting specifications. Clearly the recommendations of the national committee would give our municipal reports form and coherence rather than mere substance between two covers.

Part III contains, in my judgment, the most important contribution. This lays down detailed specifications for departmental and functional reports. The committee has numerous and valuable suggestions as to subject matter and form of the reports from Alpha to Omega, from the city council to the bureaus of the line departments. The specifications are grouped under six major heads, general government, staff agencies, educational functions, social welfare, public safety, and public works and utility service. These are again divided into specific activities with minute suggestions for each. The specifications for the individual departmental reports call for their illustration by curve line graphs, ratio charts, bar charts, and pie charts, as well as by non-mathematical charts, and classification charts. Throughout possible tabulations of unit costs for individual activities are outlined.

Municipal officials will find among the committee's recommendations methods for measuring all that is measurable in municipal administration. This manual should stimulate actual public reporting among American municipalities. Progressive cities will not hesitate to utilize its findings.

A. W. Bromage.

*

Financial Aspects of Subdivision Development. By A. D. Theobald. Chicago: The Institute for Economic Research, Research Monograph No. 3, 1930. 88 pp. $1.50.

This study of the financial problem in the development and sale of the subdivision is part of a more general study of the subdivision business sponsored by the Institute for Economic Research. Other monographs will be published dealing with subdivision merchandising practices and public control of subdivision development.

Mr. Theobald's monograph discusses credit agencies, aids in securing capital, forms of operating organization, financing the installation of improvements, merchandising costs and principles in the pricing of lots. There is much of interest and value to the city planner and economist, as well as to the home builder and realtor, in this carefully prepared and authoritative monograph.

High financing and merchandising costs are attributed in large measure to the instability of the subdivision business and the chronic oversupply of land subdivided into lots but left by the promoters in an unusable condition. Recurrent booms and depressions mark the subdivision business. The most recent boom period took place from 1924 to 1927.

The present depression should offer a good opportunity to reorganize subdivision practices and public control so as to prevent a recurrence of another subdivision boom with its accompanying excesses.

The author points out that the present inactive market emphasizes the fact that a stable business cannot be built by depending on the speculative purchaser. Complete development of land into a new community of homes is coming to be recognized as the only desirable type of subdivision operation. The appeal is to the prospective home owner, instead of to the lot speculator. With this trend toward complete development it is becoming apparent that substantial economies are obtainable through production of larger units and that the larger tracts subdivided emphasize the importance of the careful physical planning of the land itself.

Some way must be found by which home sites needed for normal urban growth may be provided without the speculation, over-supply and haphazard, sprawling development that is now almost universal. These home sites should not only be fully improved and ready for actual home building, but should be designed as a part of a self-contained residence neighborhood.

ROBERT WHITTEN.

*

DETROIT RULES ITSELF. By William P. Lovett. Boston: The Gorham Press, 1930. 235 pp. $2.00.

Can a modern city be trusted to govern itself? With striking optimism W. P. Lovett answers this question in the affirmative in his book, *Detroit Rules Itself*. He answers it in terms of the experiences of Detroit, where for fourteen years he has been secretary of the Detroit Citizens' League, a position which gives him unusual opportunity to observe and interpret political events.

An early chapter, "Detroit under the Dictators," gives a picture of the corruption and misrule that characterized the government of Detroit prior to the various reforms that are detailed in successive chapters and form the general topic of the book.

The principal of these reforms are the following:

The reorganization of the election system by state legislative action in 1915 and by referendum in 1916. This was the beginning of the end of corrupt government by providing honesty in elections.

The demolishing of the political power of the saloon and the underworld by the passage of the prohibition amendment to the state constitution.

School board reorganization culminating in 1917, changing from a board of twenty-one, elected by wards, to seven, elected at large.

Adoption of a modern city charter by referendum in 1918, providing for a mayor and a council of nine elected at large, with centralization of responsibility and control.

The taking over of the ownership of the Detroit United Railway by the city in 1922, freeing the government of the city from an influence that had long corrupted its political activities.

The establishment of nonpartisanship in city government, thus freeing the city from the baneful effects of manipulation by state and national party politics.

In the recital of these events Hazen S. Pingree, James Couzens, John C. Lodge, Henry M. Leland and Pliny W. Marsh stand out strongly, together with the part played by the Detroit Citizens' League and the Bureau of Government Research.

It is a readable book and the story is interestingly and even graphically told.

As we read the book and re-read it, we ask ourselves whether the author might not have marshalled his facts in somewhat more orderly fashion, for we find ourselves compelled to piece the story together from fragments in various chapters.

Students of city government and particularly those who are engaged in the practical solution of municipal problems will do well to read it, for it gives a picture of definite progress in one American city, and shows the effective part that can be played by civic groups well organized and possessing initiative, courage and practical sense. To these the book should be an encouragement.

LEO TIEFENTHALER.

Master of Manhattan: The Life of Richard Croker. By Lothrop Stoddard. New York: Longmans, Green & Co. $3.50.

This may appropriately be called a literary life of the boss or master or leader of Manhattan from 1886 to 1902. I use three alternatives to describe three aspects of one who controls the political destinies of a community. The enemy or opponent of such a man uses the first term, because it carries with it a certain amount of obloquy. The literary student who is also something of a reformer, speaks of the "master" as involving obloquy, and at the time a recognition of the political power involved in the sway or control of a man who guides or moulds the destinies of a community; while "leader" is alike the term used by the admirer and by the more or less cynical student of political conditions.

Croker will be longest remembered no doubt for his response to Frank Moss, when conducting one of the perennial investigations of the political affairs of New York City, and especially of its dominant political organization: Tammany Hall. In 1899, the newspapers of America fairly rocked to a remark made by the most prominent professional politician of the day. Croker, leader of Tammany Hall, while being cross-examined in the celebrated Lexow vice inquiry, was asked: "Then you are working for your own pocket?" and he replied: "All the time, the same as you."

There was really nothing new about a politician working for his own pocket, but the public was startled by the brutally frank admission. Brutal frankness was the outstanding characteristic of Croker and this is graphically and emphatically brought out by Stoddard, who gives us not only a striking picture of this successful politician, who lived to enjoy to the full the fruits of his control, but manages to preach a political homily in good literary style.

The present generation forgets the cynical frankness of the "gay nineties" the motto of which was furnished by Croker's district attorney, Colonel Asa Bird Gardiner, "To Hell with Reform," and the phalanxes of young men in snake-like formation who celebrated Van Wyck's election and Croker's triumphant return to supreme power after the low administration by chanting endlessly the refrain: "Well, well, well. Reform has gone to Hell!"

In Stoddard's volume, which is fascinatingly written, we have not only an account of the principal political events of Croker's life, which was to be expected, but of the New York of his day and an insight into the philosophy of his career. Being a literary study rather than a municipal research report, one must expect slips, as when the author speaks of "honest John" Kelly polling nearly 100,000 votes in the Cornell-Robinson contest for Governor, whereas the vote was Cornell 418,567; Robinson 375,790; and Kelly 77,566. Nevertheless, the picture is a fair one and on the whole an accurate one. It is to be hoped that more literary men will turn their attention to politics and to political factors, so that the general public will be attracted to conditions which now, as in the days of Croker, should receive far more attention than they do.

Clinton Rogers Woodruff.

◆

Forces Affecting Municipally Owned Electric Plants in Wisconsin. By E. Orth Malott. Chicago: The Institute for Research in Land Economics and Public Utilities. 101 pp. $1.50

Municipal ownership of utilities has been the subject of more controversial opinion, based on a smaller amount of unbiased data, than any other function of municipal administration. For this reason Dr. Malott's monograph, the second of a series on this subject undertaken by members of the Institute for Research in Land Economics and Public Utilities, is especially timely. Before accurate conclusions can be drawn, as to the accomplishments of municipal ownership, a number of intensive studies of this type is greatly needed.

The book deals primarily with the legal basis of municipal ownership, with commission regulation and with the numerical trend of municipal plants in Wisconsin. It gives attention also to the operating experience and capital accounts of municipal plants in that state.

In view of the continuing legal handicaps to the effective development of municipal ownership of light and power the arrangement of cases to show the change from a strict to a broad interpretation of municipal legal authority is especially important. As Dr. Malott points out, legal, financial and operating handicaps are intimately related and the removal of legal-financial limitations is essential to technological progress. These obstacles to effective operation have been, in part, removed in Wisconsin, but there remains the handicap of a lack of specific authority for the formation of large, interconnected public systems. This limitation, it might be added, will disappear if the program of legislation sponsored by Governor LaFollette is adopted.

In view of the fact that state regulation of municipally-owned utilities has been established in only a few states and that its desirability is subject to much controversy, Dr. Malott's conclusions are entitled to careful consideration. For small plants especially, he maintains, the Wisconsin Railroad Commission has partially supplied an essential element, that of foresighted management. By aid in accounting, finance, rate-making and engineering it has performed a function similar to that which management companies have performed for small private plants.

This study, while it will not meet with the enthusiastic approval of either ardent advocates or opponents of the policy of municipal ownership of utilities, provides very valuable material for serious students of this increasingly important function of municipal government.

Frederick L. Bird.

◆

Special Report on Municipal Accounts. By the State Comptroller, State of New York. March 27, 1930. XIII, 278 pp.

This report covers the work of the Bureau of Municipal Accounts of the Department of Audit and Control of the State of New York for the calendar year 1929. It is a highly significant document; one that should provoke the attention of states and municipalities reluctant to see the advantages and the possibilities of state administrative supervision and examination of local finances.

Part I of the report summarizes the activities of the bureau for the year 1929. Unfortunately, in the opinion of the reviewer, the accounting methods and the financial operations of the jurisdictions enumerated are by the terms of the law exempt from the bureau's supervision. During the year 1929 the bureau completed 185 examinations and audits of local finances. At the time the report was issued 35 examinations and audits of municipalities were in process. Also during the year, the Bureau made installations of uniform systems of accounts in five counties, two cities and ten villages.

A new activity of the bureau is the financial supervision of county and town highways. Under the Highway Law, the state comptroller determines the amount of state aid. During the year the bureau examined the highway accounts in 782 towns.

The bureau comments on the results of its activities as follows:

> It is gratifying to report that the examination activities of the Bureau are increasing constantly, to the end that a larger number of examinations is made each year than in the preceding year. . .
>
> The activities of the bureau . . . are mainly educational. However, it should be noted that recoveries to municipalities of funds illegally expended or embezzled amount to considerably over one-half million dollars. In one town, as a result of an examination, $600,000 was returned to the town by a contractor, and an examination of the fiscal affairs of a county resulted in the return of about $11,000. Numerous other recoveries in all classes of municipalities have been reported. In connection therewith, it should be noted that unauthorized payments involving several thousand dollars were reported by examiners, resulting in the correction of illegal and accounting errors, concerning which no moral turpitude could be charged. Probably the most beneficial result of examinations made cannot be measured in dollars and cents, as the deterrent effect is incapable of measurement.
>
> The Uniform System of Accounts as prescribed and installed in all classes of municipalities is operating with greater facility than previously, and it is probably but a question of a relatively short time when practically every municipality in the State will be conducting its fiscal affairs according to the system of accounts prescribed by the state comptroller.

Part II, which constitutes the main body of the report, presents the statistical tables compiled from the reports of the local fiscal officers. Forty-one tables are included. The municipalities are grouped as follows: (1) counties, (2) group I cities, having a population of 50,000 to 250,000, (3) group II cities, having a population less than 50,000, (4) villages, and (5) towns. The items tabulated are classified under revenue receipts, non-revenue receipts, governmental cost payments, and non-governmental cost payments. The final section of Part II presents tables on municipal indebtedness. The volume is well indexed. The charts included are an excellent and interesting feature of the report.

Martin L. Faust.

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The Quest for Social Justice, 1898–1914. By Harold Underwood Faulkner. New York: Macmillan, 1931. xvii, 390 pp. $4.00

This volume is the eleventh in the series, "A History of American Life," editors, Arthur M. Schleisinger and Dixon Ryan Fox. The author is professor of history at Smith. His conception of "social justice" results in a very comprehensive survey of human relations. His sketches are confined to the period extending from 1898 to 1914. In the course of thirteen chapters—

the fourteenth chapter being a critical essay on authorities—he traces important developments in politics, industry, religion, literature and journalism, education, science, art, music, drama, social and economic legislation, health, family life, and child welfare. The style is readable, the treatment logical, and the appraisals fair. The book itself lends harmony to the excellent series of which it is a part.

EARL E. CRECRAFT.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Housing.—London County Council, 1931. 116 pp. The clerk of the council has here brought together material, with copious illustrations, on the housing activities of the council for the years 1928, 1929 and 1930, as a basis for a general review of the situation and a determination of the future program. Immediately after the war the acute shortage compelled the county council to provide many homes, quickly, and this was done by the development of large cottage estates in the suburban districts. In 1928, the council was impressed by the diminishing reserve of working-class dwelling accommodations in the central districts owing to demolition and adaptation for business or industrial purposes. It set about to remedy this by the building of new block dwellings near the central area and the clearance of unhealthy areas, with the construction of new dwellings to care for those displaced. The cottage estates are provided with schools, medical centers and playgrounds, and the council grants leases to refreshment stands. The council has already provided 51,500 houses or flats, with an estimated population of 230,000. More than 10,000 others have been begun or arranged for. The capital expenditure of the London County Council on housing has amounted to nearly $178,000,000. (Apply to P. S. King & Son, 14 Great Smith Street, Westminster S. W. 1, London. Price 2s 6d.)

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City Civil Service Law.—National Civil Service Reform League, 1931. 23 pp. This draft of a civil service law applicable to cities, has been prepared with the coöperation of persons in the public personnel field against a background of the history of the merit system. Alternative drafts are given for some of the provisions, so that it may be used in relation to the readiness of the community undertaking the reorganization of its system of public employment. (Apply to the Secretary, National Civil Service Reform League, 521 Fifth Avenue, New York City.)

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Retirement of the Bonded Debt of the City of Wilmington.—Taxpayers' Research League of Delaware, 1931. 18 pp. At the request of the finance committee of the city council the Taxpayers' Research League of Delaware considered the proposed plan for retirement of the bonded indebtedness of the city. This report includes the plan proposed and the Research League's revision of the plan. One moot point is the rate of interest probable on the investment of the sinking fund. Of particular importance in this connection are sections on the practice of insurance companies, the long-time trend of the yield of municipal and other tax-exempt bonds, and the judgment of authorities in public finance. It is on the basis of this that changes are suggested in the plan as first proposed. (Apply to Taxpayers' Research League of Delaware, Wilmington, Delaware.)

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Business Taxes.—Governor's Taxation Committee, Columbus, Ohio, 1931. 39 pp. The Committee on Research presents as its fifth preliminary report important facts on business taxes. On the basis of income earned by incorporated and unincorporated business in Ohio in 1928 and 1929, tax returns are estimated at the several new rates proposed. A bill has also been proposed to revise incorporation fees and on the basis of past record, probable return for this is calculated. Part II of the Report consists in summaries of tax legislation affecting manufacturing and mercantile corporations in sixteen other states. Tables are included. (Apply to Committee of Research of the Governor's Taxation Committee, Southern Hotel, Columbus, Ohio.)

Report of the Commission to Investigate Prison Administration and Construction.—New York, 1931. 4 Sections, 332 pp. Appointed by the legislature, the commission devoted six months to its work and reported that in view of the fact that 92 per cent of the state's prisoners take up their lives outside in a comparatively short time after their imprisonment, they should be fitted to become useful members of society, and that this can best be done by considering the special needs and capabilities of the individual. The commission points out that no more fortress type prisons are needed, but that a medium security prison should be established, experiments in pre-parole housing units be developed, and that road camps be extended. The commission states that its goal is "a hard-working community or training camp, which year by year becomes more nearly self-supporting through the efforts of carefully selected, wisely directed inmate workers who are able to do the work assigned to them, who are acquiring physical soundness, and habits of work and skill, and who in this restricted community are preparing for life in the broader community outside the prison." The commission also stresses its conviction that such a goal is dependent not so much upon prison buildings as it is upon the personnel of the administrators, and urges an increased expenditure for this aspect of the state prison program.

Section II of the Report consists of changes proposed in executive penal and correction laws.* (Apply to Sam A. Lewisohn, Chairman, Commission to Investigate Prison Administration and Construction, 60 Broadway, New York City.)

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Measuring Your City.—Bureau for Government Research, West Virginia University, 1931. 11 pp. After an introduction to the criteria of measuring city government, this bulletin, number 2 in the Public Affairs series, asks some pertinent questions. The main headings deal with municipal recording, a citizen's opportunity to influence his government, the administration of the city, its financial methods, and its governmental form. Under each heading are several suggestions which are fundamental to intelligent, progressive, city government. (Apply to Bureau for Government Research, West Virginia University, Morgantown, West Virginia.)

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Conference on Governmental Relationships.—University of Minnesota, 1931. 138 pp. The 1930 summer session of the University sponsored a conference to inspect relationships between state, county and municipal units in law enforcement, public utilities, taxation and finance, and public health. The questions put forward at the conference centered about the proper units or areas for administration in these four fundamental fields. Authorities on these subjects presented material which, with charts and outlines previously prepared under the League of Minnesota Municipalities and the Municipal Reference Bureau, served as a background for general open forum discussion. This volume contains these speeches and a good deal of relative statistical information about the municipalities of Minnesota. (Apply to The Bulletin of the University of Minnesota, Minneapolis.)

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Taxation Activities.—Finance Department, United States Chamber of Commerce, 1931. 35 pp. Three years ago the taxation division published "Tackling Taxation." In answer to the same question as to what business men's associations can do about taxes, this new pamphlet is now prepared. It deals with the structure, subject matter and methods used by business agencies in connection with taxes, and uses as a basis for discussion the actual problems and experiences of such agencies. One significant point mentioned is that whatever factors draw business agencies into the taxation field, once a well-financed program of taxation activity is begun, it is seldom relinquished. These programs usually include agitation for "full value for every public dollar" by common sense planning and control of public expenditures, balancing financial realities with social and economic objectives, and the realization that economy sometimes consists in spending more rather than less. A broad viewpoint, a willingness to face facts as they are, are fundamental to achievement in the field of taxation activity. (Apply to Taxation Division, Finance Department, Chamber of Commerce of the United States, Washington, D. C.)

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* There are also two supplementary reports, the first of which deals with the classification of prison inmates of New York State, administrative and psychiatric, and compares various classification methods in use. The other is a report by the National Board of Fire Underwriters upon conditions affecting safety to life with respect to fire, in the prison institutions of the state.

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE

Professor of Law, New York University

Special Assessments—Recovery of Money Paid under an Invalid Levy.—The Supreme Court of Michigan in *Blanchard* v. *City of Detroit,* 235 N. W. 230, holds that all assessments paid under an invalid levy after they have become a lien upon one's property are paid involuntarily and may be recovered back by the taxpayer. The court also holds that a provision of the Detroit charter providing for the refund of taxes or assessments illegally collected is not to be construed as the exclusive remedy, but that an action at common law for money had and received may be maintained.

The harsh application of the old common law rule that taxes voluntarily paid under an invalid assessment cannot be recovered by the taxpayer has been largely modified by the extension of the term "involuntary" to include payments made not only under circumstances amounting to coercion at common law, but also those made under protest to avoid a lien upon the property taxed or the incurrence of a severe penalty (*Bank of Holyrood* v. *Kottmann* (Kan., 1931), 296 Pac. 357). This tendency to liberalize the common law doctrine is well set forth in the opinion of the Court of Appeals of New York in *Adrico Realty Co.* v. *New York City* (1928), 250 N. Y. 29, 164 N. E. 732, in which it was held that a payment made to avoid the attachment of a tax lien upon real or personal property is to be considered involuntary.

These decisions are tending to bring the state decisions in line with those of the federal courts, which are coming more and more to enforce the repayment of special assessments collected under an invalid law. The Supreme Court in *District of Columbia* v. *Thompson* (1929), 281 U. S. 25, puts the right to such recovery upon the broad ground of the obligation imposed by law to restore property unlawfully taken by a municipal corporation. The inferior federal courts frequently take jurisdiction of special assessment cases under the authority of the Fourteenth Amendment, and where its violation is pleaded will determine not only the constitutionality of the statute under which the tax is levied but also the validity of the assessment as applied to the property of the plaintiff. If it is found that the assessment in effect deprives the plaintiff of his property arbitrarily or amounts to a confiscation, the statute or proceedings under which it is imposed will be declared unconstitutional and the collection enjoined. If moneys have been collected under an invalid assessment, the judgment will decree a restoration. For a full discussion of the extent of the federal remedy, we may refer to the recent comprehensive opinion of Judge Parker of the Fourth Circuit in *Carolina & N. W. Ry. Co.* v. *Town of Clover* (1931), 46 Fed. (2d) 395.

The rule enforced by the state courts that the voluntary payment of an invalid tax or assessment cannot be recovered, is therefore compelled to yield to the more liberal rule applied by the federal courts, which rests on the broad ground of the protection of property accorded by the Fourteenth Amendment. The rule as stated in numerous opinions of the Supreme Court is that "the obligation to do justice rests upon all persons natural and artificial" and if a municipal corporation obtains the property of others without authority, the law, independent of any statute, will compel restitution (*March* v. *Fulton County* (1870), 10 Wall. 676, 684; *Ward* v. *Love County* (1920), 253 U. S. 17, 24).

The Supreme Court of Michigan in the instant case also rejects the contention of the city that the statutory remedy for the recovery of assessments collected under an invalid law is exclusive. A recognition by other state courts of the full significance of the federal doctrines will go a long way to correct the habit which of late has become so prevalent of resorting to the federal courts to test the validity of special assessment proceedings. So long as the state courts refuse to accord to the property owner the protection the Federal Constitution guarantees him, he will continue to invoke the jurisdiction of the federal courts for protection.

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Municipal Expenditures—Judicial Control.—The question of the adoption of state administrative control of municipal expenditures, such as the Indiana system, as a check upon extravagant and improvident municipal expenditure has reached an acute stage in some of the sister states. The ordinary taxpayer's action is singularly inefficient, although recently made more effective by resort to the declaratory judgment procedure. As another method of active control over municipal finances, the state of New Jersey for the past fifty years has had in operation a statute which permits a supreme court justice, upon the affidavit of twenty-five freeholders that they have cause to believe that moneys have been corruptly or unlawfully expended, to order a summary investigation of the affairs of any municipality, to appoint experts to prosecute an investigation, to cause their reports to be published and to tax the costs against the municipality in question.

A decision handed down March 21, 1931, *North Bergen Township* v. *Gough*, 154 Atl. 113, reaffirms the constitutionality of the act and holds that the taxation of allowances may be made by the successor of the justice before whom the proceedings were instituted. The costs taxed in the instant case exceeded one hundred thousand dollars. Justice Case, in affirming the constitutionality of the act and the regularity of the jurisdiction of court, after referring to the testimony of the Court of Errors and Appeals in *Hoboken* v. *O' Neill* (1906), 74 N. J. L. 57, as to the usefulness of the act, says:

> The statute is no less useful now than then. The Legislature clearly meant this statute to be the channel whereby a minority, having reason to suspect the unlawful or corrupt use of the moneys of the municipality, may present their apprehensions to a justice of the Supreme Court, whereupon that high judicial officer shall make an investigation, and thereupon, if he be satisfied of the propriety of so doing, may at his discretion appoint others, experts, to prosecute the investigation. There was thus set up a quasi judicial method, not of charging an offence or causing trial thereof, but of ascertaining and, if so the judicial officer should determine, of publishing the facts of a very particular and vital phase of governmental activity, namely, the handling of public funds. In any event, the investigation may be regarded as an effort to ascertain the truth of a charge involving the swindling of the government out of its money, and this, as was indicated in *Ex parte Hague*, 150 A. 322, 9 N. J. Misc. R. 89, is a proper subject of inquiry.

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Taxpayer's Action—Recovery of Reasonable Attorney's Fees.—In *Council of Village of Bedford* v. *State* (1931), 175 N. E. 607, the Supreme Court of Ohio adopts the rule that in the absence of any statute requiring a contrary decision, a taxpayer who has brought an action in equity for the recovery of public funds unlawfully withheld from the municipality may be awarded in the discretion of the court a sum sufficient to reimburse him for reasonable attorney's fees. The decision accords with *State* v. *Andrews* (1915), 131 Tenn. 554, 175 S. W. 563; *Washington County* v. *Clapp* (1901), 83 Minn. 512, 86 N. W. 775; *Jones* v. *O'Connell* (1914), 266 Ill. 443, 107 N. E. 731.

But if there is no fund created, the generally accepted rule is that the taxpayer cannot recover for his disbursements (*Marion County* v. *Rives and McChord* (1909), 133 Ky. 477, 118 S. W. 309; *Criswell* v. *School District* (1904), 34 Wash. 420, 75 Pac. 984). So it has been held that no recovery is allowable where the constitution and the statutes provide in express terms the procedure that must be followed to authorize the payment of any claim against the state (*State* v. *National Surety Co.* (1916), 29 Idaho 670, 161 Pac. 1026, 2 A. L. R. 251). In the instant case, although the form of the action was mandamus, as it was brought for the use and benefit of all the taxpayers of the village, the court concludes that it was of a sufficiently equitable nature to justify the trial court in making the award to the plaintiff out of the fund collected.

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Home Rule—Special Assessments—Local Improvement Guaranty Fund.—In *Hallahan* v. *Port Angeles*, 297 Pac. 149, decided March 20, 1931, the Supreme Court of Washington upholds the constitutionality of the statute enacted in 1927, requiring all cities and towns to create local improvement guaranty funds by general taxation. This requirement is a condition precedent to the exercise by any city or town of the power to impose special assessments for local improvements. Section 12 of article 11 of the state constitution forbids the legislature to impose taxes upon municipal corporations, but permits it by general law to authorize subordinate political agencies to assess and collect taxes for local purposes. The court points out that a general statute limiting the exercise of the power of taxation is not an imposition of a tax upon the municipalities. When a city orders a local improvement the tax in question is self-imposed and there is no interference with the constitutional home rule powers of the city.

Eminent Domain—Statute Limiting Compensation.—In *Chicks Spring Water Co.* v. *State Highway Department* (March 18, 1931), 157 S. E. 842, the Supreme Court of South Carolina holds that a statutory restriction upon the power of the defendant to condemn lands for highway purposes does not relieve it from liability to respond in damages for a permanent injury to private property due to its construction of highways. The injury was occasioned by constructing the highway so that it caused the plaintiff's lands to be flooded. The defense was that the defendant was not authorized to condemn the lands so affected. The court bases its holding upon the provisions of the state and federal constitutions requiring due compensation for the taking of lands, as construed by many decisions in South Carolina and by the Supreme Court in *Hopkins* v. *Clemson College* (1911), 221 U. S. 636, 35 L. R. A. (N. S.) 243.

The constitutional limitation in question is often lost sight of by critics of the awards given in condemnation cases, when they advocate statutory restrictions upon the amount of damages that the courts shall award, as for example, by a limitation based upon the assessed valuation for purposes of taxation. The only cases where such a statute can be sustained are those where the property is already charged with a public servitude and the right to damages for the appropriation is based solely upon the statute. Such is the case of lands lying along the Mississippi, which have always been subject to an easement giving the public the right to take such part thereof as may be essential for the construction of levees. See in this connection *Wolfe* v. *Hurley* (1930), 46 Fed. (2d) 515.

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Torts—Liability of City in Admiralty.—The admiralty law has never recognized the special immunity of municipal corporations from tort liability (*Workman* v. *New York*, 179 U. S. 552). In *Slater Company* v. *Nicholson Transit Co.* (1931), 47 Fed. (2d) 734, the Circuit Court of Appeals, Seventh Circuit, held that the city of Chicago was only secondarily liable in admiralty for damages due to defects in its municipal piers. The obstruction that caused the injury to the transit company's boat consisted of iron tie rods projecting from the side of the pier several feet under the water. The city, however, had leased the greater part of the pier to the Slater Company for the storage of automobiles, under an agreement which provided that the lessee would save the city harmless from liability due to "any act or omission negligent or otherwise of the lessee," its agents and servants. The court holds that the failure of the lessee to make an inspection that would have revealed the projections constituted negligence on its part and that it should be held primarily liable. This construction of the contract seems strained in view of another clause in the lease, which provided that the lessee was to do no construction work on the pier and would permit the lessor to have free access to the premises for "examining the same or to make any needful repairs."

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Remedies—Effect of Contributory Negligence of Officer Discharging a Governmental Function.—The general rule that a municipality is not liable for the negligent acts of its officers and employees in performing governmental functions is accepted by the courts of most of our states. Its statement usually takes the form that the doctrine of respondeat superior does not apply in such a case. In *City of Milwaukee* v. *Meyer* (April 7, 1931), 235 N. W. 768, the Supreme Court of Wisconsin held that a corollary of this rule is that in an action in tort brought by the city, the contributory negligence of one of its officers whose duties are governmental cannot defeat the liability of the defendant.

The action was to recover damages to the abutment of a bridge due to the mooring of defendant's scow in a part of the canal where it interfered with traffic and thereby caused another boat to collide with the bridge. The defendants sought to relieve themselves from liability by showing that the berth was taken by order of the harbor master which was at a point forbidden by an ordinance of the city. The conclusion of the court is supported by the analogous doctrine that the government is not bound by the laches of its officers with reference to a matter which is the subject of an action in which it seeks a recovery. A similar conclusion was reached in the only other cases in which this question seems to have been passed upon (*Paterson* v. *Erie R. Co.* (1910), 78 N. J. L. 592, 75 Atl. 922 and *Columbus R. Co.* v. *Columbus* (1922), 29 Ga. App. 8, 113 S. E. 243).

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Streets and Highways—Encroachments—Municipal Art Jury.—The Supreme Court of Pennsylvania in *Walnut & Quince Streets Corporation* v. *Mills* (1931), 154 Atl. 29, upholds the provision of the Philadelphia Charter of 1919 establishing a board known as the "art jury" whose approval is prerequisite to a license to private persons to erect structures on or extending over public streets of the city. The petitioners sought an order restraining the municipal authorities from interfering with their erection of an electrical sign and a marquise in front of a theater building and extending over the sidewalk. Pending the action, permission was given for the sign, but the city refused to give a license for the erection of the marquise, which would have extended along the entire front of the building, because of the refusal of the art jury to approve of the structure.

The court dismissed the contention of the petitioners that the board was a "special commission" the creation of which would be contrary to section 20 of article 3 of the state constitution. The further objection that the action of the jury was arbitrary and that no standards were fixed to govern its discretion was met by calling attention to the fact that any private encroachment upon a public street without a license would be a nuisance in law and that the legislature had delegated to the city the power to prescribe the conditions precedent to the granting a license for the privilege of erecting structures upon the street. While such encroachments as are not nuisances in fact may be permitted, the discretion of the city authorities in determining whether they will be dangerous or objectionable in any way is affirmed.

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Powers—Construction of the Term "Maintenance" of Structures.—In *Davis Holding Corporation* v. *Wilcox*, 153 Atl. 169, the Supreme Court of Errors of Connecticut passed upon the construction of certain statutes of that state (16 Special Laws 1911, p. 412, and 17 Special Laws of 1915, p. 221) which confer upon the sewer commissioners of the town of Greenwhich the power upon approval of the town meeting to construct a sewer system with drains and disposal works. After the authorization and construction of such a plant, the commissioners are empowered to maintain the same and, in conjunction with the town board of estimate and taxation, assess the cost upon the real estate benefited thereby. In 1928, because of complaints made as to the condition of the disposal plants, the commissioners proceeded to provide a metal covering for one of the sludge beds and to include the cost thereof in the annual assessment upon the lands benefited.

The principal issue raised in the case was whether the construction of the covering over the sludge bed should be included as an item in the "maintenance" of the plant, or should be treated as an original construction requiring approval by a special town meeting called for that purpose. No precise definition was made by the statute as to whether improvements of existing sewer plants are to be considered as original construction or maintenance. In this dilemma, the court finds that, looking at both statutes, the intent of the legislature could not have been to require a special town meeting to authorize any and all repairs that might be necessary and that, therefore, the required improvement should be included under the term "maintenance" and that the tax was properly laid. While the term "maintain" therefore has no precise legal significance, in the instant case it is construed to mean the keeping of existing structures in a state required for efficient operation.

PUBLIC UTILITIES

EDITED BY JOHN BAUER

Director, American Public Utilities Bureau

PENNSYLVANIA INVESTIGATES PUBLIC UTILITY REGULATION

Following Governor Pinchot's criticisms of utility regulation in Pennsylvania, two legislative committees have been investigating the public service commission and the effectiveness of regulation in that state—a senate committee, and a committee of the house of representatives.

Both committees found much to criticise in actual accomplishments under the present system. The house committee, however, went much further, and in its preliminary report on April 27, recommended the abolition of the commission and the creation of a "Fair Rate Board," as proposed by Governor Pinchot. Its report states that the evidence shows the commission had lost the confidence of the public; that the law had been designed primarily to protect the interest of the public, and to safeguard it from exploitation by utility companies, but that these objects have not been secured. It shows that from 1925 to 1929 almost one-half of the electric companies were earning, according to their own sworn statements, 50 per cent more than 7 per cent return on their depreciated book investment, which sometimes included inflations. Similar conditions prevail among gas and water utilities. But the public service commission, except during the years 1930 and 1931, had made no attempt to effect rate reductions. The commission, moreover, had failed to make public the issuance of securities by holding companies, and had allowed without protest certain utilities to "write up" their fixed assets for the purpose of security issues.

The preliminary recommendations would also largely repeal the present law, and substitute new legislation designed to assure effective regulation and systematic protection not only of utility consumers, but of *bona fide* investors in public utility properties. Among the specific changes sought, would be systematic control of security issues, so that no securities may be issued without the prior approval of the commission, and only for actual investment purposes approved in the public interest.

Changes are sought also in the accounting provisions. No company would be allowed to "write up" its properties above actual money cost, nor could such write-ups be brought about indirectly through the purchase of properties of one company by another. Changes are urged in accounting procedure, to show more definitely the cost of service and the basis of rates for various classes of consumers.

The proposed new law would place holding companies under regulation. It would prevent the pyramiding of securities in holding company structures. It would also make impossible excessive bankers' fees, management fees, profits on construction work, and other profits that have been tapped off through inter-company arrangements, under the guise of operating expenses and capital expenditures. Contracts for all inter-company services would be brought under the control of the commission, and the burden of proof as to the reasonableness of any charges would be placed upon the operating company. Every utility would be required to furnish full information with regard to its controlling or affiliated interests.

The committee found that fundamental to the reëstablishment of public confidence in regulation is the stabilization of valuation procedures, and that this can be accomplished only through the adoption of prudent or net investment depreciated as the rate base.

The Pennsylvania house committee is in agreement with the minority of the New York Revision Commission which held that effective rate-making is possible only upon the prudent investment base.

BAUER PLAN AND COOKE PLAN COMPARED

It is understood that the program of the house committee has the approval and support of Governor Pinchot, while in New York the position of the minority is supported by Governor Roosevelt. The objectives are the same—the establishment of a fixed and non-variable rate base for each company, which would be definitely shown by the accounts, and would not be subject to variation due to change in prices or cost of construction. The methods, however, by which these aims would be attained, differ materially. The Roosevelt program is based on the Bauer plan, which the editor of this department has been advocating for a number of years, while the Pinchot program is based on the plan advanced by Morris L. Cooke.

The Bauer plan would define by direct statutory enactment the general basis of rate-making; it would provide for every company an initial valuation of its existing properties, to be determined generally under the laws of the land, but to be fixed once for all, without further variation for future rate-making purposes. This amount would be taken as a substitute or equivalent of net prudent investment in the existing properties. To it would be added all future actual investments in additions and improvements as approved by the commission. The investments would be fully safeguarded through maintenance and adequate depreciation provisions and the accumulation of other reserves.

The Cooke plan does not attempt to establish directly by statute a comprehensive rate basis. It would leave all existing properties under the present "fair value" rule, but would seek to bring under the prudent investment rule all future improvements and extensions through the medium of contracts, as approval is sought by the companies either for new franchises, extension of franchise provisions, for security issues, or for the granting of any other rights sought by the companies from the regulatory authorities. It would thus seek, over a period of years, to establish the prudent investment by contract, without any comprehensive shift of legal principle through direct statutory enactment.

The relative merits of the two plans involve questions of constitutionality, cost to the state, and practical considerations as to the level of valuations. These will be summarized in the order mentioned.

THE LEGAL QUESTION

The Roosevelt program, or Bauer plan, involves a direct challenge to legal postulates inferred from the present determination of "fair value." It assumes that rate-making as a whole is a legislative process, and that every part of the procedure is subject to legislative determination, including the machinery and processes by which the rates are fixed. The results, of course, must be reasonable, and must not be confiscatory of private rights; but the legislature itself has the power to fix standards by which its policy of rate regulation is to be effectively administered.

If a fixed rate base under systematic accounting is really necessary to make regulation effective, and if it is reasonable both in the interest of the mass of investors and the consumers, then the determination of the legislature would prevail, and the policy established by statute would be recognized as valid by the Supreme Court of the United States. The introduction of such a fixed rate base would be carried out with reasonable consideration to private and public interests, and a judicial review of the process would be a part of the transition to the new system.

The preponderance of opinion appears to be that no such fixed rate base can be established by direct legislation—whatever care may be taken to deal fairly with private as well as public interests. If this constitutional view is correct, the plan would not stand the legal opposition which undoubtedly would develop against a mandatory system established through direct legislation.

It is doubtful, however, whether this view is correct. There are no cases which bear squarely on the issue or which permit a close analogy to indicate that such legislative provisions would be invalid. There is, on the other hand, good constitutional authority which holds that such a fixed rate base could be established through legislative mandate, provided that it is in the public interest, and that private rights are not treated unfairly. Among such authorities are Felix Frankfurter, of the Harvard Law School; Frank P. Walsh, former vice-chairman of the War Labor Board and joint chairman of the National Industrial Relations Commission; and Bainbridge Colby, former secretary of state.

It would seem worth while to test this constitutional question, and find out whether regulation can be carried out systematically through direct legislative policy, or whether the public purposes can be effected only through indirect and evasive processes. The direct method would appear preferable, because of the tremendous interests involved, and because of the scope of public regulation of industry which will almost certainly be expanded during the generation before us. As a matter of general public policy, it would seem desirable that all legislation which provides for regulation in the public interest, should be free also to establish such bases and methods as are clearly designed to bring the industry under effective public control.

If such direct legislation is not attainable, then the alternative method proposed by the Cooke plan is the only reasonable recourse left to attain the desired result. As a utility seeks new privileges of any sort or the extension or renewal of privileges, it may be required to agree to the establishment of a fixed rate base, and to accept such other limitations as may be desirable to make regulation effective.

The Cooke plan involved no direct challenge to the present legal concepts. It would not extend immediately to any of the properties that have been installed under existing franchise rights. Its operation would be limited to future properties as they are installed under rights and privileges to be granted by the state, under the condition that their valuations for rate-making would be determined by the prudent investment, instead of the "fair value" rule.

The extent that such a condition may be enacted for future construction is doubtful. Many companies may continue indefinitely with no need for a petition that would involve new rights and privileges for which the prudent investment standard could be exacted as a condition. There may be even serious doubt as to the extent that the Cooke plan may be legally applied as new rights and privileges are sought by the companies. The plan is essentially coercive in character. While a state, of course, can couple conditions with the privileges asked for by the companies, it may be distinctly limited in the scope of fixing such conditions. In the case of a new franchise, the state probably could exact an agreement that would provide for prudent investment for all future properties. Whether the same limitations could be imposed upon minor extensions of the franchise to meet general service requirements, may be doubted; and it seems improbable that such limitations would be approved, if fixed as conditions for security issues to carry out the financial provisions to meet the service obligations of the companies under existing franchises.

At best, it seems that the Cooke plan would have limited application, and would require a long time before a substantial transition could be effected from the present "fair value" to the desired prudent investment basis of valuation. The Bauer plan would provide for prompt transition, including all properties that are involved in the public service. From the standpoint of effectiveness, therefore, the Roosevelt program would seem preferable. The only way to find out whether it can be established by statute, is to enact a mandatory system, and to test it out in the courts.

RELATIVE COST TO THE PUBLIC

The Bauer plan would require a valuation of all utility properties, except those whose rates quite obviously would not be affected by any level of valuations, to wit: street railways. While every property would have to be examined as to its physical condition, composite unit costs would be worked out and applied to individual properties so as to avoid futile detail, excessive costs, and needless delay.

If the direct legislative plan is upheld legally, there would be little delay in establishing systematically a fixed rate base for future regulation. While there might be reviews of individual valuations, there would be no delay in the application of the valuations when the general principle had been approved by the Supreme Court. If organized on a sensible basis, the cost of making the valuations can be kept down to a low figure. But even if the aggregate cost should reach $10,000,000, or even $20,000,000 for the entire state—like Pennsylvania or New York—it would still be justified, in that regulation would be put upon a definite basis, which would be systematically administered, and which would protect investors as well as consumers.

The Cooke plan would involve no immediate valuations, and would not impose any special costs upon the state or the industry. It would make no sharp line of division between the present and the future system. The commission would merely go on as it has—making valuations as might be required for individual rate cases, and only gradually setting up a prudent investment base as new expenditures are made, under special agreement, or as more general valuations might be mutually agreed upon by the commission and the companies.

In its immediate effect, the Cooke plan would be less costly to the public. But, in the long run, it would be much more costly, in that it would continue indefinitely with the present cumbersome processes of rate control.

LEVEL OF VALUATION

The principal objection to the Bauer plan is the high valuation which would be established under present conditions, and which would be permanently "frozen" into the future rate base. The Cooke plan would place no fixed valuation on existing properties, and would leave their adjustment to the changes in price level that may take place in the future. Prudent investment would be applied only to new properties as might be installed at a lower level of costs than the bulk of the existing properties, especially those of the electric companies.

It is true that a large proportion of the electric properties, also other properties, has been constructed during the period of high-price level and high construction costs. If it were assumed that we are now in the course of a steady downward movement of prices which will continue for the next 15 or 25 years, then an immediate appraisal of the existing properties might have the effect of "freezing" permanently into the rate base higher amounts than would be obtained if valuations are made when the prices and costs have descended to lower levels than prevail at the present time. There is, undoubtedly, a question of expediency whether this is the appropriate time for the establishment of a fixed rate base, if we wish to be fair to the public.

This question of expediency involves guesses as to the future course of prices, also as to the effect upon public and private rights, and as to what could practically be done in the reduction of valuations, if a much lower price level should be attained during the next 15 to 25 years. With regard to these matters, the following points deserve consideration:

(1) Prices have already declined materially during the past two years, and, it seems, will probably continue to decline during the next two or three years. It is impossible to make a valid prediction for a longer period.

(2) Even at the present price level, it would be possible to establish lower valuations than as a practical matter could be fixed for many companies. At all times, consideration would have to be given to the securities outstanding and the basis upon which they were taken by the investors. Notwithstanding lower reproduction costs that could be adequately supported by unit prices under present conditions, it would be extremely difficult to fix the net valuations materially below actual investment, and especially below the amount of the securities issued and the basis upon which the securities were sold to the public.

The problem of establishing a fixed rate base involves investors as well as consumers. To fix valuations materially below actual investment would destroy honest investments. In many instances it would impair the credit of the companies, or even cause insolvency. The actual investment and the financial structure will inevitably stand as formidable barriers to valuations materially lower than present reproduction cost.

(3) Not only have prices already declined substantially from the more immediate post-war level, but tremendous improvements in methods of construction, especially upon large-scale construction, have been made. To a large extent the existing properties have been built at higher prices and under conditions of piecemeal construction. If there were to be an immediate valuation, the fundamental basis would be present reproduction cost at large-scale production, under which the most up-to-date and efficient processes would be used. With the two factors taken together—present lower prices and the economy of large-scale construction—present valuations would, as a rule, be lower than the actual investment, especially in the case of electric properties. They would produce a base which could not be established permanently for rate-making purposes.

SUMMARY

Taking all facts into consideration, the Bauer plan would set up immediately a definite policy which, if reasonably carried out, should receive the approval of the courts. It would not destroy actual investments, and it would put regulation immediately upon a systematic basis. The Cooke plan continues the present administrative difficulties, and would avoid them only over long periods of time, when the present investments would cease to figure materially in valuations for rate-making purposes. This course is slow-moving and cumbersome, and, in the aggregate, much more expensive to the public. If the failure of present regulation is due primarily to the indefinite and variable rate base, it would seem that the remedy lies in the establishment of a fixed and non-variable rate base now.

MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER

Profit and Loss Under Public Ownership, 1929–30.—The April 17 issue of *The Municipal Journal* contains a summary of the results of municipal trading in England which is in many respects one of the most interesting financial documents which has appeared. The results are, of course, complicated by factors too numerous and diverse to provide a basis for a parliamentary campaign. At the same time, a number of significant conclusions emerge. Recapitulations for several of the major classes of local trading projects are given:

Class of Authority	Undertakings Deficient	Amount £	Undertakings with Surplus	Amount £
MARKETS				
County boroughs	3	15,772	58	269,602
Boroughs	5	2,392	56	64,593
Urban districts	4	1,820	20	23,331
Metropolitan boroughs	..	......	2	7,483
WATER				
County boroughs	4	69,954	7	49,763
Boroughs	13	98,956	8	14,956
Urban districts	17	54,472	4	5,292
ELECTRICITY				
County boroughs	1	20,000	27	167,525
Boroughs	1	2,200	22	41,434
Urban districts	1	1,250	10	8,540
Metropolitan boroughs	..	......	5	40,473
TRAMWAYS				
County boroughs	12	91,239	12	142,682
Boroughs	13	47,668	1	2,440
Urban districts	7	27,503	..	....
HOUSING ESTATES				
County boroughs	7	34,893	31	280,242
Boroughs	7	13,125	18	9,813
Urban districts	1	154	1	30
Metropolitan boroughs	..	......	1	4,659

The summary for the nine types of undertakings given, including in addition to those recorded above: gas, trolley buses, motor buses, and a miscellaneous group, indicated that county borough undertakings incurred deficits totaling £439,654, and contributed £1,209,383 to the relief of rates. Boroughs sustained deficits of £223,336, and accumulated surpluses of £190,062. Urban districts had losses aggregating £99,767 and surpluses of £41,477. Metropolitan boroughs (London) incurred no deficits, and accumulated surpluses of £53,198.

These statistics impel the editor of the *Journal* to some engaging analyses in the issue for April 24. He points out that the statistics indicate that chief among the factors determining the failure or success of municipal trading is the density of the resident population, inversely with the extent of the area to be supplied. And so they do. The county boroughs, which are cities having large populations and for this reason made independent of the county in which they are located—and the London metropolitan boroughs are the units which came off with surpluses exceedings deficits. These areas represent compact and densely populated regions.

The editor, while entirely sympathetic toward public ownership, is convinced that some undertakings deserve sharp criticism. He insists that the time has past when public ownership can be defended by reference to abstract principles. Public ownership should still provide the strongest guarantees for the consumers' protection, but the degree to which the elector benefits by the direct operations of his council as a trading authority is materially affected by the quality of technical management. "An electrical engineer sluggishly disposed and unfriendly towards schemes of extension, is not made efficient as an officer in the public interest merely because the town council, and not a company of share holders, is the proprietor of the undertakings for which he is responsible. How far is the recent tendency for municipal ownership to diminish the financial advantages which that principle formerly conferred, due to some deficiency of enterprise and initiative? In private ownership, gas and electricity have made greater headway during the last few years. Is the fault in the councils, an electorate largely indifferent, or does it derive from that inherent defect in nearly all monopolies to rest content with what has been done?"

Here is indeed an incisive indictment of undertakings' administration. The financial success of municipal trading in Great Britain in past years is an adequate answer to those who insist that government cannot do the job. Current developments must be charged against something else. Is it possible that public enterprises, like private utilities, wax careless in opulence? What is the effect of monopolistic status upon economical administration? Dr. Bauer last month pointed out that the least efficient and most costly part of power supply is in the phase of it that is essentially monopolistic—the distribution end. How long, in fact, can a monopoly last before it becomes decadent?

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Another Phase of the War on Tuberculosis.—Dr. Héctor Orrego Puelma, writing in the current issue of *Comuna y Hogar*, the official organ of the League of Chilean Municipalities, comments on a phase of health administration which has gained little headway in this country from his particular viewpoint.

Dr. Puelma says that because of its transmissibility, tuberculosis should be regarded precisely as any other infectious disease. Disregarding for the moment the scientific basis for his theory of its infectiousness, the legislation of a number of countries points toward the outright classification of tuberculosis as a relatively communicable ailment.

Denmark promulgated in 1905 a law concerning doctors treating this disease, designed primarily to prevent its diffusion through inadequate sterilization of their instruments. It was followed in 1912 by a statute providing for state aid in medical dispensaries and hospitalization of tuberculars. Between 1913 and 1917 Denmark spent over one million crowns, in the fight against tuberculosis, on a population of less than three and one-half millions. In 1918 the legislation was revised to make obligatory the hospitalization of tuberculars, and the sterilization of their houses and possessions.

England, while not extending its efforts in the direction of mandatory treatment and disinfection, has gone far in the provision of facilities. Since 1912 the ministry of health, in conjunction with the local authorities, has been establishing dispensaries and facilities for hospitalization. In 1923 England had 442 dispensaries, free to those unable to pay, 198 tubercular sanatoriums and hospitals containing 2,730 rooms, as well as 3,310 rooms devoted to the treatment of tuberculars in over 61 diverse establishments.

France, in 1915, provided for the expenditure of five million francs for the creation of tubercular sanatoriums. In 1916 another law made mandatory the creation of dispensaries in all the departments, the charge being shared between the municipal, departmental and state budgets. In 1919 a law permitted the state further to offer subventions for the establishment of tuberculosis hospitals. The same year a mandatory hospitalization law was introduced in the chambers, although due to opposition by the Academy of Medicine it was not adopted in its entirety.

Italy in 1917 declared the war against tuberculosis a "public purpose," and has since that time offered annual subventions totaling over two million lire for the construction of dispensaries, sanatoriums, and preventoriums.

Germany has left the matter entirely with the states, and has no *Reich* law concerning tuberculosis. Most of the states make excellent provisions, however, and there are at present 190 institutions for adult tuberculars, 257 for children, 148 ship-hospitals for certain types of pulmonary, and convalescent cases, 21 residential school-ships, 6 labor-colonies for tuberculars, 88 observation stations for those seeking hospitalization, and 385 hospitals or hospital-sections for tuberculars.

Switzerland probably has the most thoroughgoing legislation of the European states. Its "armament" against tuberculosis consists of 24 hospitals for adults, with a total of 2,000 rooms, and 29 hospitals for children, with 1,200 rooms. There is one room for each 1,200 inhabitants of the country. And these are only the provisions made by the public authorities. The Swiss Central Association against Tuberculosis has established 30 dispensaries and local centers. These dispensaries aid annually over 25,000 persons, of which some 11,000 are suffering from some form of tuberculosis. There is the most intimate correlation between the work of the government and the association, which has resulted in a substantial curtailment of the tuberculosis mortality index. One of the most interesting of the Swiss institutions is the University Sanatarium of Leysin, in which constant research is engaged in for the purpose of discovering more effective methods of cure and prevention.

Rigorous duties are imposed on the cantons in the inspection of those suspected of being tubercular. Especially severe is the examination of all those coming in contact with children, such as teachers, religious workers, etc. Frequent examination of food-handlers is required. The municipalities must maintain an efficient system of visiting nurses, inspectors, and facilities for examination. The national government customarily supplies one-fourth of the funds necessary for the construction of local hospitals for tuberculars. Hospitalization and treatment are compulsory, and the requirements are rigidly enforced.

Dr. Puelma concludes with a plea for the organization of an effective effort against tuberculosis by national and local Chilean authorities. One would conclude that in Chile much of the effort in this direction is as uncoördinated and casual as in a number of American states. The thesis of his argument—that tuberculosis should be treated as a highly communicable ailment, and that it cannot be so treated without adequate facilities of inspection and hospitalization—is probably a concise expression of continental opinion on the subject. No state in this country, however, makes mandatory hospitalization or treatment of tuberculosis as such. Our regulation is entirely negative. Here is a new point of view of the appropriate scope of mandatory and compulsory legislation which is worth looking into.

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A Correction from Berlin.—*Ministerialdirektor* Dr. Victor von Leyden has very kindly called to the attention of the editor certain errors in the discussion of the Krefeld-Uerdingen consolidation which appeared in the January issue of this REVIEW.

Under paragraph six of the communal integration law for the Rhenish-Westphalian industrial area, virtually all of the urban portion of the Landgemeinde Kaldenhausen was annexed to the city of Uerdingen. The community of Hohenbudberg was a *selbständige* unit at the time of the 1929 communal integration and its territory was not altered in any way by that law. It should be clearly noted that the relations of the united city of Krefeld-Uerdingen with the outlying area are wholly contractual, and that, with the exception of a part of former Kaldenhausen, which, of course, lost its identity when annexed to Uerdingen, there is no organic relationship except between Krefeld and Uerdingen.

The present first mayor of the consolidated city is the former Oberbürgermeister of Neuss, and not, as was stated, the Bürgermeister of Uerdingen.

For overlooking the Rhenish-Westphalian law, which he had duly reported in this department last year, the editor apologizes.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY RUSSELL FORBES

Secretary

Recent Reports of Research Agencies.—The following reports have been received at the central library of the Association since March 1, 1931:

Bureau of Public Administration, University of California:
Report on Proposed Park Reservations for East Bay Cities (California)
Taxpayers' Research League of Delaware:
Retirement of the Bonded Debt of the City of Wilmington
Division of Municipal and Industrial Research, Massachusetts Institute of Technology:
Can General Property Taxation Be Reduced?
New York State Conference of Mayors and Other Municipal Officials:
Scientific Methods and Rules for Assessing Land and Improvements
Finance Department, Chamber of Commerce of the United States:
International Double Taxation
Bureau of Government Research, West Virginia University:
Measuring Your City

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New Placement Bureau for Researchers.—The subcommittee on personnel of the American Political Science Association's committee on policy is organizing a personnel service especially designed to aid those who have recently completed advanced work in political science in finding appropriate positions. Professor William Anderson of the University of Minnesota, or Luther Gulick of the National Institute of Public Administration would appreciate being informed of vacancies in the staffs of the bureaus of governmental research.

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New Governmental Administration Group Formed in Los Angeles.—There has been formed in Los Angeles County, recently, a small group of those who are engaged in governmental administration work. The purpose of the organization is to make it possible for these men to exchange ideas and to discuss problems which they have coming before them daily. The Pacific Coast is isolated from governmental administrative organizations of the East and the lack of such contacts which these organizations afford has been keenly felt by the people engaged in this line of work.

This new organization has two main fields of activity relative to its discussions and subject matter presented at its meetings. The first has to do with administration or management of our cities, counties, and schools. The problems of the administrator are the subjects that come under this classification. The second objective is to develop, so far as possible, units of measure which the administrator can use to evaluate the success or failure of his departments.

The following are the charter members of the new organization: A. E. Stockburger, city manager, Alhambra, California; Clifford N. Amsden, general manager, board of civil service commissioners, city of Los Angeles; O. S. Roen, city manager, South Pasadena, California; L. D. Gifford, chief engineer, California Taxpayers' Association; Dr. Frank O. Evans, director of administrative research, Los Angeles city schools; N. Bradford Trenham, secretary, educational commission, California Taxpayers' Association; John N. Pfiffner, School of Citizenship and Public Administration, University of Southern California; Harold A. Stone, director of research, California Taxpayers' Association; Roy A. Knox, director, bureau of budget and efficiency, city of Los Angeles; J. W. Charleville, city manager, Glendale, California; Emory E. Olson, director, School of Citizenship and Public Administration, University of Southern California; John M. Peirce, California Taxpayers' Association; John W. Donner, assistant director, bureau of budget and efficiency, city of Los Angeles; Gordon Whitnall, city planner, Los Angeles, California; H. F. Scoville, bureau of efficiency, county of Los Angeles; and Charles H. Diggs, director, regional planning commission, Los Angeles County.

Mr. Stone has been appointed chairman of the group and Mr. Diggs secretary.

The membership is to be limited to not more than twenty and to be made up of persons representing the major activities of the cities, counties, and schools. It is a group of administrators and the membership will be limited to that profession.

The present plans are to have the meetings monthly at which time one of the members of the group will present a problem to be critically analyzed and commented upon by the other members.

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Baltimore Commission on Governmental Efficiency and Economy.—In the spring of 1930, the Commission on Governmental Efficiency and Economy began to function in Baltimore as an independent non-political citizens' agency dedicated to the task of making municipal and state services more effective and less costly. No formal literature has been issued descriptive of its work because the commission has concentrated on practical field work in the municipal departments rather than on featuring academic research in the theory of governmental administration; it has concerned itself with obtaining practical benefits and has not sought publicity.

The most important of its studies, the effects of which will undoubtedly be far reaching, has been investigations of (a) the city's debt situation; (b) the acquisition of property for highway condemnation; (c) purchasing practice; (d) centralization of stores; and (e) the control of tax assessments and receipts.

While these are the major accomplishments, some of the less comprehensive, but none the less effective results that have been attained include: protection of capital funds against use for maintenance work; elimination of improper charges to specific loan funds; analysis of the trend of the taxable basis; discontinuance of prepayment for materials furnished by contractors on city construction work; status of paving improvements following highway condemnation proceedings; reconciliation of the city's books of benefits and damages accounts resulting from condemnation proceedings; composition of Board of Zoning Appeals; and administration of air pollution regulations.

One of the studies which the Commission is about to undertake is the installation of general accounting and cost analysis which will make possible intelligent and accurate budgeting and control of annual expenditures. The city is not yet in a position to produce a balance sheet of actual values.

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California Taxpayers' Association.—The study of the Los Angeles County budget has been commenced. This study will assist ten board of supervisors in their efforts to keep Los Angeles County's expenditures within its income. A budget study is also being carried on in the Alhambra city school system.

A study has been made of the supplies used in the operation of the elementary schools of Kern County and the city of Bakersfield. This analysis deals only with prices and has not been concerned with quantities. Two general conclusions have been reached. First, that the policies pursued in the placing of the contracts for school supples for the elementary schools of Bakersfield have obtained relatively low unit costs. The recommendation is made that the policy of placing the business among several competitive bidders be continued. The second conclusion is that the county of Kern has not been remarkably successful in obtaining low unit costs for school supplies, inasmuch as this business had previously been placed under a single contract with one supplier. The recommendation is made that the purchasing agent pursue the policy in the future of making the awards among the several low bidders on each item.

At the request of the Sweetwater union high school district, the Chula Vista elementary school district and the National City elementary school district, a survey will be made of their building requirements and a building program will be formulated. These studies will include population and enrollment forecasts, a survey of the present plants and their utilization, the location of new plants or the expansion of existing ones, together with recommendations for types and sizes of buildings to be built. The building program is to extend over a five-year period and is to include complete recommendations for the financing of the program.

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Taxpayers' Research League of Delaware.—Having completed the fourth year of its activities, the League has prepared a report reviewing its work and outlining its tentative program for the future.

In the field of state fiscal administration, the League has done considerable work in coöperation with state officials on the consolidation of special funds, the placing of all administrative funds in the custody of the Treasurer, the adoption of a uniform fiscal year for all administrative agencies of the state, and the improvement of the state's accounting budget systems. Many important improvements in fiscal administration have been put into practice by executive officials where it was possible to do so without a change of law. The legislature of 1931 also made several important changes on the recommendation of Governor Buck for further improvement in the same direction. Improved fiscal administration has paved the way for a number of important tax reductions and economies in the legislatures of 1929 and 1931.

The League has been active in coöperation with Governor Buck in studying the possibilities of retiring the state's bonded indebtedness. During the first two years of his administration, the sinking fund commissioners, at the instance of the governor, have called and redeemed $7,085,000 of state highway bonds, or more than 75 per cent of all highway bonds issued. As a result of this action, the highway fund will save $19,870,000 in debt charges in approximately the next forty years. It is the governor's hope that the remaining state indebtedness can be eliminated during his administration.

As the agent of the state board of charities, the League made a study of welfare administration and prepared a plan for a state welfare department. The bill was defeated in the senate after having passed the house of representatives. There is hope, however, that the objections to the plan can be eliminated by further study, and that a consolidation of the various welfare agencies will be approved by a later legislature.

The League has recently analyzed the bonded debt and sinking fund of the city of Wilmington, and has coöperated with city officials in formulating a plan for building up an adequate sinking fund.

The League coöperated with the Wilmington Chamber of Commerce in a study of methods of determining the responsibility of bidders for public work. Recommendations for the prequalifications of bidders were enacted into law by the last legislature.

At the request of a committee appointed by the New Castle County grand jury, the League made a study of the recording of legal documents and prepared a report.

Major items on the League's projected program include a study of county government and taxation, which was authorized by the last legislature; a further study of state fiscal administration, and also of welfare administration; and studies of local government in the municipalities of the state.

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Des Moines Bureau of Municipal Research.—The Bureau devoted its entire attention during the first three and one-half months of 1931 to the forty-fourth Iowa general assembly. The Bureau had its best "economy session" with the legislature which recently adjourned.

This legislature was in a frame of mind for tax reduction measures which ordinarily would have had scant chance of passage. Many such bills were given serious consideration and even passed at this session. The Bureau helped in the passage of many "tax saving" bills and assisted in killing a number of "tax boost" bills. The Bureau's legislative work involved the preparation of some bills; the marshaling of facts for arguments; inspiring newspaper publicity; appearance at legislative committee hearings and ordinary personal solicitation of various legislators. The Bureau had more or less to do with each of the following measures which were passed:

1. Committee on reduction in public expenditures created to devise possible savings in our annual state and local $110,000,000 tax bill, during next two years. Similar committees in other states have affected big savings.

2. Elliott Bill compels five per cent reduction in 1932–33 city and county tax levies; bond charges exempted. Only schools are affected that now levy $70 per child. This should result in reduction in Des Moines tax levies by over $100,000.

3. County attorney and sheriff's bills place these officials on straight salary and take away their fees and perquisites. This takes effect in 1933 and will save $20,000 annually in Polk County expense.

4. Biennial school census instead of annual census. This will save about $3,000 to Des Moines school district every other year.

5. Mileage reduction. This reduces the ten cents per mile auto transportation allowance to public officials (excepting sheriff) to seven cents per mile. This will save about $100,000 yearly in entire state.

6. Sixty per cent bond law. This bill provides that no bond issue shall be carried unless sixty per cent of the voters approve. This will retard public borrowing in the state.

7. Moneys and credits tax is made a replacement tax under new statute. This virtually requires that the $350,000 raised by the moneys and credits tax in Des Moines must reduce the general property tax by about five mills.

8. The Polk County budget law which we wrote and was enacted two years ago, has been made applicable to all counties in the state.

The Bureau worked against the following "tax boost" measures which the legislature killed:

1. To increase court reporter's salary.

2. To place various groups of city employees on pension list.

3. To raise various millage taxes.

4. To add arbitrarily without expression of people certain rural school districts to Des Moines school district.

* * *

Taxpayers' League of St. Louis County (Duluth).—The first attempt at long-term improvement planning in Duluth met with rejection at the hands of the voters on April 7. Only one proposal out of five submitted received the sixty per cent vote required for bond authorization. The proposal adopted, which amounted to $570,000, will provide funds for the first unit of a sewage disposal system. The idea of planning improvements five years ahead seemed to meet with universal approval, but business conditions and the necessity for reducing real estate taxes combined to defeat the other four proposals. The Taxpayers' League, which has consistently advocated the planning of capital improvements over a period of years, advocated only the approval of the sewage disposal bonds. The opinion of the League was supported by the voters.

The study of the cost of the administration of criminal justice in Duluth for the Wickersham Commission has been completed.

* * *

Los Angeles Bureau of Municipal Research.—A new bureau of municipal research is now in process of being established in Los Angeles, California. It is a non-profit citizen organization, instituted with the encouragement of public officials and property owners who have become very uneasy about the tax situation.

James O. Stevenson, who attended the Training School for Public Service of the New York Bureau of Municipal Research, in 1914–15, is the organization director and secretary. Col. Jerome F. Sears, formerly assistant to Gen. Herbert M. Lord, has also been active in the Bureau's formation.

The following board of research consultants has been named: August Vollmer, chief of police, Berkeley, police organization and administration; G. Gordon Whitnall, city planning and zoning; Edwin A. Cottrell of Stanford University, charters and municipal legislation; and Arlin E. Stockberger, city manager of Alhambra, municipal administration.

Because several large bond issues have been proposed for new improvements, the Bureau will give first attention to a study of the assessed valuation of property in its relation to bonding capacity.

* * *

The Ohio Institute.—Three new laws enacted by the general assembly and approved by the governor, if fully utilized by the state administration, will enable the state of Ohio to change the policy which has prevailed in recent years, in dealing with prisoners.

A board of parole of four members, is established and certain limitations on their action hitherto imposed by courts are removed. Between the maximum and minimum terms of sentence fixed by law for the various offenses in the penal code, the board of parole will be free to follow its best judgment in determining when prisoners shall be released on parole or finally discharged. In addition, by good behavior during imprisonment, prisoners may make themselves eligible for parole at an earlier date than the standard minimum. Prisoners may be transferred from one penal institution to another to bring about a suitable classification.

All of these laws were drafted by the Ohio Institute at the request of their sponsors. They will take effect about August 1.

NOTES AND EVENTS

EDITED BY H. W. DODDS

First Installation in Brunswick, Georgia, Made by the Committee on Uniform Street Sanitation Records.—The first complete installation of the records and cost accounting proposals of the Committee on Uniform Street Sanitation Records has just been made in Brunswick, Georgia. During three weeks of residence in Brunswick, the staff, consisting of Donald C. Stone and G. A. Moe, not only installed the standard work units proposed by the committee, but also set up unit cost standards for each activity and prepared a work program for the current year.

The system installed in Brunswick employed the work units which the Committee on Uniform Street Sanitation Records has established for standard use throughout the country. The work units tested in this installation are:

(1) Street cleaning—the "cleaning mile," that is a mile of street cleaned once by beat patrol and machine sweeping which are the only methods employed. The same unit is also applicable to broom gang, machine flushing, and hose cleaning.
(2) Street sweepings removal—(a) "cubic yards of sweepings removed," and (b) "cubic yards removed per cleaning mile."
(3) Catch basin cleaning—(a) "cubic yards of cleanings removed," and (b) "number of catch basins cleaned."
(4) Garbage and trash removal—"cubic yards removed." Tons removed is a supplementary unit when weights can be made of each load.
(5) Night soil removal—"cubic yards removed."
(6) Dead animals removed—"number of animals" of the following classification: dogs, cats, chickens, goats, hogs, and cattle.
(7) Refuse disposal—"cubic yards" and "tons" as in removal.

A work program for the entire year was prepared for each of the above activities. This work program shows the total work for each operation to be done during the year expressed in terms of work units, unit cost standards, and total cost.

The unit cost standards represent the minimum unit cost at which Brunswick may be expected to perform its work. Thus, they may serve the officials of Brunswick as a standard throughout the entire year to guide them in evaluating actual performance.

During the course of the year, a monthly work and cost statement will indicate whether the work program is being complied with and the extent to which actual unit costs conform to the unit cost standards.

To improve the method of handling citizens' complaints and requests for special services, a new complaint record was installed. This record provides the name and address of the complainant and spaces for checking the type of complaint or the type of special service. The form is printed in duplicate; the first copy being given to the investigator will state in detail in the space provided who was at fault and the action taken. At the end of the month, these complaint reports will be compiled and entered on the Analysis of Complaints and Special Requests for Service.

The next complete installations will be made in Kenosha, Wisconsin, and Troy, New York. The staff expects to complete these by the end of May. The installation cities in the population classes of 150,000 and 500,000 will be selected later. Any inquiries concerning this work should be directed to the Committee located at 923 East 60th Street, Chicago, Illinois.

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Attack on Ohio Administrative Code Repulsed.—The Ohio administrative code has ridden out another legislative session without material change. Scarcely a session has passed since its adoption without an effort to set aside its provisions as to one department or another. This year legislation was proposed substituting the board plan of organization for the single departmental director in the case of four of the nine executive departments—education, health, industrial relations, and welfare. While there was considerable sentiment in favor of the changes, there was comparatively little organized pressure behind the measures. None became law and only one passed in either house. Two died quietly in committee and one was reported but never acted upon.

Though ten years have passed since the enactment of the administrative code, it has never been entirely accepted by many of those interested in the state government. For several years the Ohio Public Health Association has been fighting to transfer the appointment of the director of health from the governor to the public health council. The Ohio Education Association has committed itself to the creation of a state board of education. The Manufacturers' Association has urged that the industrial commission be placed in control of the department of industrial relations; and the governor's committee on institutions, a citizens' committee appointed by Governor Cooper last year to study institution problems, recommended the establishment of a bipartisan board to head the welfare department.

The Ohio administrative code came in under unfortunate circumstances. It was put through by a newly-elected Republican administration at a time when the principal executive departments were under the control of boards dominated by Democrats. As a result, the code was viewed by many as partisan ripper legislation. Dissatisfaction with some of the early appointments to directorships also reacted unfavorably upon the new plan of organization. In fact, it is rather significant that sentiment as to the administrative code ebbs and flows considerably with the calibre of department heads appointed. When a change of administration displaces competent executives, a demand for the protection of a long-term board arises. When it raises the level of administrative ability, interest in reorganization subsides.

This year's interest in reorganization was chiefly due to the change of administrative personnel resulting from a change of party. Governor Cooper had surrounded himself with an unusually capable group of department heads, who were equipped, after two years of experience, to render valuable service to the state. In some instances constructive programs of considerable importance had been begun. Then came a change of administration and a new body of officials. Naturally this focused attention on the need for greater stability of tenure. Two years is admittedly not long enough to enable even an able executive to acquaint himself with the problems of his department and carry out a program of real consequence.

While some turned to the long-term board as the solution of the problem, others considered a four-year term for governor a more satisfactory plan. A constitutional amendment providing a four-year term for elective state administrative officers was introduced and passed the senate with only a single dissenting vote. In the house it was beaten by a party vote. Curiously enough the Democrats voted against the amendment, in spite of the fact that it placed the election of state officers in the interval between presidential elections. As Ohio generally goes Republican in presidential elections, it would seem that Democratic strategy was decidedly shortsighted in attacking the four-year term proposal.

R. C. ATKINSON.

✣

Mechanical Devices Simplifying Detroit's Clerical Problems.—An application of modern mechanical office devices has been completed in Detroit and installed in the city assessor's office. A smaller installation has been adapted for use in the city treasurer's office. The installations are designed to perform mechanically a great deal of the special bookkeeping and stenographic work necessary in these offices. Heretofore large forces of workers have had to be employed to do this work in connection with the preparation of the assessment rolls each year. The mechanical systems devised are expected to effect a material savings in wages to the city.

The successful attempt to apply modern mechanical methods to the work was made by Kenneth J. McCarren, member of the Detroit board of assessors. He made a careful study of all mechanical systems available on the market and found none of them suited for the exact type of work required here. After consultation with a number of manufacturers, however, a system was produced embodying many suggestions and recommendations made by him. Mr. McCarren was peculiarly fitted for the work because of his past experience as an engineer. He was an engineer connected with the assessor's office here before being appointed a member of the board.

With a complete mechanical installation for the printing and control of records, the board of assessors, to date, have reduced their annual budget $45,000 and, in addition, will this year save over the task of printing from two to two and one-half million tax bills for the city and county treasurers, which in turn will reflect economies in their departments.

Opposed to the former methods, the complete city tax record is now embossed upon metal plates, from which twenty-two tax documents are printed automatically annually, and the possibility of errors eliminated. The realty record plates are in three parts assembled into a frame forming a unit record of every parcel of property in the city. Thus, the plate containing the owner's name and address can be removed and corrected without disturbing the plate containing the property description and dimensions, which is a permanent record.

One of the outstanding features of this mechanism is its flexibility that adapts it to tax work, and makes possible the printing of so many records. Through the operation of a shuttle attachment, the machines can be controlled to print the name and address opposite the property description, which appears on the same plate, and thus render a balanced record.

Also through a selector device, controlled by permanent and shifting metal tabs attached to each frame, any classification or group of classifications can be printed or passed through machines as desired, and is invaluable in selecting unpaid accounts, delinquent returns, etc.

For quick reference and the handling of payments, there is automatically printed on each record an item number, and will result in the office staff handling their accounts by reference to simple numbers rather than lengthy property descriptions.

In addition to the accuracy and efficiency produced by mechanical procedure, the saving is apparent by a comparison of the results with the former manual methods per person. In printing assessment and tax bonds by the manual method 42 pages per day was possible as against the mechanical method of 525 pages per day. In writing tax bills by manual method, 300 per day was the rate as against the mechanical method of 25,200 per day. In personal tax notices and returns, manual method, 400 per day; mechanical method, 4,200 per day.

*

Election Irregularities in Utica, New York.—The committee of the New York State senate which was appointed to investigate the election of Samuel H. Miller of Utica, New York, as the senator from the thirty-sixth district; by a strict party vote, recommended that Miller be unseated. The Senate approved the recommendation and the governor called for a new election on May 5, 1931. At this election, Miller received 900 votes less than his Republican opponent, who was elected.

The unseating came as a result of a charge of fraud in the primary elections. Miller who was the Democratic candidate was also nominated by the Socialist party. It was charged that numbers of Democrats had falsely subscribed to the principles of the Socialist Party and had caused the nomination of Mr. Miller. In the subsequent election, the combined vote of the Democrats and the Socialists was sufficient to overcome that of the Republican candidate. It was also charged that election officials had been careless in the conduct of the primary.

Regardless of whether the primary nomination of Mr. Miller was fradulently obtained, the investigation calls attention to the election situation in the city of Utica. Since 1915, there have appeared at various times evidences of carelessness in the conduct of elections.

In 1915, there was a mayoralty campaign in the city. A few hours after the polls had been closed, the election of the Republican candidate by 34 votes was generally conceded. Upon examination it was found that the machine used in the second district of the second ward registered a total of 447 votes cast, whereas the total vote for mayor on the machine was 470. After months of legal argument and court action, the machine in question was opened and the results tallied. It was then found that an election inspector on the night of the election had read the vote for the Republican candidate as 182 when it really was only 137. This resulted in the election of the Democratic candidate by 14 votes.

In the election of 1922, the inspectors in 19 of the 61 districts read the voting machines incorrectly, with the result that the whole 19 machines had to be reopened. The results as compiled on the night of the election showed the election of two Republicans and two Democrats as members of the school board. When the board of canvassers came to tally the vote, the figures did not check and the machines were reopened. One hundred and forty-three mistakes were found on the 19 machines. The recorded vote differed from that on the machine in the 143 cases by from 1 to 132 votes. In the second district of the seventeenth ward, the recorded vote showed no votes for any of the Democratic candidates for the school board, whereas the machines showed that they had received 104, 87, 85, and 83 votes respectively. As a result of the investigation, the Democrats gained two additional members of the school board.

In 1929, carelessness again manifested itself. The machines had been inspected in a lax manner and the results were often tallied on soiled return blanks, with the result that no one could ascertain with certainty who was elected. The machines were reopened and although no mistakes were found, there was a great deal of confusion and political bickering.

These three cases indicate the necessity for more care in the choice of election officials and for changes in the election law to assure greater honesty and accuracy in the tallying of votes.

John J. Walsh.

⁂

North Carolina Moves Toward Greater Centralization.— The trend towards greater centralization and efficiency in government was emphasized by two recent acts of the North Carolina General Assembly relating to purchases and to personnel.

A central purchasing agency is set up at the capital in Raleigh, with a director in charge appointed by the governor, and is given supervision and control over the purchase of supplies for all state institutions and departments. Governor Gardner estimates that this will save the state the sum of $400,000 annually.

A personnel commission, with a director appointed by the governor, is set up in another act. The commission is to set requirements that all state employees must meet before being employed and to certify as to the eligibility of applicants for state jobs. The actual employment is made by the various departmental heads. Classification of personnel employed by the state is to be made by the commission, and a salary scale fixed.

Both of these measures were urged in a report of the Brookings Institution, which last fall, at the request of Governor Gardner, made a survey of state and county government in North Carolina.

The oldest state university in the United States (from the standpoint of actual operation), the University of North Carolina at Chapel Hill, is greatly enlarged by a recent enactment of the general assembly of North Carolina.

By terms of the act the State College of Agriculture and Engineering at Raleigh and the North Carolina College for Women at Greensboro are to be merged July 1, 1932, with the University at Chapel Hill, making an institution with more than 7,000 students in the regular session, and with physical plants valued at approximately $20,000,000.

A board of 100 trustees for the greater University has been elected by the general assembly, to take office July 1, 1932. Meantime a commission of twelve persons, educational experts, of which the governor selects six and the president of each institution two, is to work out the details of the consolidation. Prevention of duplication and greater effectiveness for state-supported higher education is promised in this merger.

W. D. Harris.

⁂

A Modified City-County Consolidation for Asheville and Buncombe County has been provided by the general assembly of North Carolina by an act effective April 1.

A joint board of financial control is provided, consisting of five members, named in the act, and serving overlapping terms of one, two and three years. C. Fred Brown is chairman. The board has budgetary control of all expenditures for the city of Asheville, county of Buncombe, Woodfin sanitary, water and sewer districts, and the city and county schools. It has supervision of tax listings, of tax collections and of the liquidation of securities deposited as collateral for public deposits in several banks which failed last November.

Buncombe County has a population of 97,000, of which 50,000 are in the city of Asheville. The tax valuation for the entire county is $165,000,000, of which two-thirds is in the city.

An even closer consolidation was urged by Colonel C. O. Sherrill, former city manager of Cincinnati, and a native of western North Carolina, who was invited to address a public meeting in Asheville last December and discuss a solution for the financial difficulties of the city and county. These difficulties were greatly increased by the failure of large banking institutions carrying heavy public deposits, which were inadequately protected. Since then special local acts exempting Buncombe County from the rigid provisions of the North Carolina statutes relating to public deposits have been repealed.

W. D. Harris.

⁂

Metropolitan Boston Bill before Legislature.— The Metropolitan Boston Bill, presented to the Massachusetts legislature in January by Professor Joseph H. Beale of Harvard University Law School, was incorporated in the report of the

Metropolitan Boston Conference appointed by Mayor Curley, of which Conference Professor Beale was chairman.

The bill was designed to restore to the control and responsibility of the forty-three separate municipal entities now constituting the metropolitan district, a number of municipal functions which by successive legislative enactments have passed partly or wholly out of their jurisdiction.

Boston, with an area of only about 50 square miles, has had little room for increase in population but the contiguous and surrounding suburbs have grown rapidly. Nearly forty years ago the metropolitan device was adopted by which the state could finance, plan, construct and maintain park, water supply and sewage disposal systems for the whole community. Many other functions have been added from time to time. The government of this metropolitan district was vested in the metropolitan district commission, appointed by the governor, and responsible only to him and the legislature. Money advanced by the state has been and is being repaid by the various cities and towns.

The Metropolitan Boston Bill transferred all the powers and authority, all the responsibility and officials of the metropolitan district commission to a federated city of Metropolitan Boston, consisting of a Metropolitan Boston council, a mayor and a Metropolitan Boston commission. The council consisted of members elected from each city or town in proportion to population. The commission took over the functions of the metropolitan district commission. It was provided that upon the expiration of the term of each commissioner, his place should be filled by election by the next Metropolitan Boston council.

By this plan it was hoped to restore to the densely populated community, known as Metropolitan Boston, not only control but the educative responsibility of purely municipal functions for which their communities were paying but over which they had no control as to expenditure, construction or development. It was expected also that this new government would find a great many ways in which it could advance the interests of the community as a whole and which it is now impossible intelligently to consider owing to the necessity for action by forty-three separate municipal governing bodies.

No action was taken at this session of the legislature but the bill was referred to the next session. March G. Bennett.

Novel Argument for Division of St. Louis County (Minn.) Fails in Legislature.—Contrary to present day tendencies, the people of one county in the United States recently witnessed a forceful attempt to divide, rather than to increase the county's area. St. Louis County in Northern Minnesota in which a substantial portion of the iron ore deposits in this country are located, and of which the city of Duluth is the county seat, was the subject of this *contra-tempts* movement. Fortunately the legislature voted down the enabling legislation, but it was not until the roll was finally called in the senate that death to the proposal was assured.

The principles involved in this legislation are of interest. St. Louis County is one of the largest in the country, having an area of something over six thousand square miles. About half the people live in the city of Duluth, about 40 per cent live in the cities and villages in the mining areas some sixty to eighty miles north of Duluth, and the remaining 10 per cent are scattered throughout the county. Duluth and the adjacent territory have four representatives on a county board of seven members. The mineral properties which are in the northern part of the county pay about 70 per cent of all county taxes. Duluth pays about 25 per cent, and the remaining 5 per cent is non-mineral property scattered throughout the remaining areas.

The argument made to the legislature was that, because the mining areas paid such a large percentage of county taxes, a representation of only three on the county board from that area was unjust. It is not unusual for minorities to cling tenaciously to any advantage they may hold in the membership of a legislative body, but to advocate openly for representation on the basis of wealth is a somewhat unusual circumstance.

Another peculiarity of this measure was that it provided a system of secession upon a majority vote of that portion of the county proposing to secede. The remainder of the county was to have no voice whatever in the election. There was, of course, some question of the constitutionality of such a scheme, but as counties are largely creatures of the state, it is quite uncertain what the courts would have done with the problem, under the Minnesota constitution.

The people of Duluth and the mining companies, who own probably 95 per cent of the taxable property in the proposed new county, opposed the bill. Advocates for the measure held out that it would reduce the mining companies' taxes, but the experience in the mining communities has been that maximum levies are invariably imposed. Because of this the mining companies feared the measure.

Defeat of the measure came about largely because of the inability of the proponents to show cause why an existing order should be upset, and particularly because it was proven beyond argument that the establishment of two counties, where one now exists, would increase the cost to taxpayers.

ROBERT M. GOODRICH.

⁂

Missouri Provides for Highway Patrol.—After a long and somewhat bitter fight the general assembly of Missouri has passed a bill establishing a state highway patrol, which has been signed by the governor.

This law provides for a force of 126 men, consisting of a superintendent, 10 captains and 115 patrolmen. The superintendent will be appointed by the governor, with the approval of the senate, for an indefinite term. The superintendent will appoint the captains and patrolmen and will have control of the entire staff, subject to the general supervision of the state highway commission. (This commission is also appointed by the Governor.) The law specifically provides that not more than half of the force can be affiliated with the same political party. The cost of the patrol, which is estimated at $400,000 per year, will be paid out of the state road funds.

The bill was sponsored by the Automobile Club of Missouri. It also had the active support of the attorney general, the state highway department, and various civic organizations. It was opposed by the County Sheriff's Association and by the "wets." The former were afraid that the state patrol would reduce the power and prestige of the sheriff. They wanted the patrolmen placed under the control of the sheriff's office, and succeeded at one time in getting their plan adopted in a modified form by the house.

The wets argued that patrolmen would probably be used as "snoopers" for prohibition enforcement. They were responsible for an amendment to the bill which deprives the patrolmen of the right of search and seizure, except to confiscate deadly weapons from persons arrested.

Organized labor, which has opposed a state police system on the ground that it might be used in breaking strikes, apparently did not actively oppose this "patrol" bill. A few legislators opposed the use of the state road funds for this purpose, contending that it would delay the completion of the state and farm-to-market road programs.

It is the understanding that the Missouri force is to be a highway patrol and nothing more. Its authority is limited to traffic violations and the enforcement of the state motor code. It is not an auxiliary prohibition agency. It has no authority to interfere in labor disturbances. It is supposed to be strictly non-political in nature.

University of Missouri

WM. L. BRADSHAW.

⁂

Pennsylvania Conference of Teachers of Political Science.—The teachers of political science in Pennsylvania educational institutions have effected an informal organization which held its first meeting in Harrisburg on April 2 and 3. Professor W. Brooke Graves was chairman. The program paid attention to special subjects concerning the state of Pennsylvania such as financial problems for the next biennium, election reform, and public utilities. Added features were calls upon the secretary of the senate, the attorney-general and the director of the Legislative Reference Bureau, each of whom explained the various stages of the legislative process of the state. It is planned to continue with the present organization and to hold another meeting next year at which constructive conclusions as to state policies can be formulated.

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CONTENTS

EDITORIAL COMMENT . . . . . *H. W. Dodds* 389

HEADLINES . . . . . *Howard P. Jones* . . 391

GEMS OF GUBERNATORIAL WISDOM . . . . . *Harvey Walker* 393

ROTTEN BOROUGHS IN GEORGIA . . . . . *Cullen B. Gosnell* . . 395

PITTSBURGH'S CITY ADMINISTRATION UNDERGOING REPAIRS . . . . . *Elbert Eibling* 398

DETROIT FEEDS ITS HUNGRY . . . . . *William P. Lovett* . . 402

POLITICS AND SEATTLE'S MUNICIPAL LIGHT SYSTEM . . . . *Joseph P. Harris* . . 407

THE ECONOMICS AND POLITICS OF CLEVELAND'S MUNICIPAL LIGHT PLANT . . . . . *Howell Wright* 413

DEPARTMENTS

I. Recent Books Reviewed 419

II. Public Utilities . . . . . *Edited by John Bauer* 424

III. Governmental Research Association Notes . . . . . *Edited by Russell Forbes* 428

IV. Notes and Events . . . . . *Edited by H. W. Dodds* 430

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THE LEAGUE'S BUSINESS

AUDITOR'S REPORT

NATIONAL MUNICIPAL LEAGUE

Balance Sheet, March 31, 1931

ASSETS

Cash:		
In bank	$ 2,758.12	
On hand	3.79	$ 2,761.91
Accounts receivable:		
Sales	$ 528.48	
Municipal Administration Service	60.00	
Accrued interest on bonds—Portland Prize Fund	13.44	601.92
Furniture and fixtures	$ 2,526.06	
Less: Reserve for depreciation	865.07	1,660.99
Portland Prize Fund:		
Investments: (at cost)		
$100 City of Lyons 6% Bonds due November 1, 1934	$ 99.20	
$500 Continental Oil Company 5¼% debentures due November 1, 1937	487.50	
Uninvested cash	13.30	600.00
Total assets		$ 5,624.82

LIABILITIES AND DEFICIT

Accounts payable	$ 6,688.45
Portland Prize Fund	600.00
Total liabilities	$ 7,288.45
Deficit	1,663.63
Total liabilities, less deficit	$ 5,624.82

STATEMENT OF INCOME AND EXPENSE

For the Year Ended March 31, 1931

Income:			
Contributions			$30,143.50
Dues:			
Annual		$8,389.20	
Sustaining		5,402.02	
Contributing		675.00	14,466.22
Sale of publications			4,868.66
Advertising			518.87
Royalties			175.41
Commission on services			234.86
Baldwin Prize			100.00
Interest on bonds—Portland Prize Fund			32.25
Interest on bank balances			22.24
Total income			$50,562.01
Expense:			
Salaries:			
Administrative	$13,487.62		
General	9,452.12	$22,939.74	
Printing Review		6,441.97	
Printing Review supplements		1,506.39	
Printing books and pamphlets		2,162.80	
Miscellaneous printing		502.30	
Rent		3,816.72	
Postage and express		2,914.55	
Mimeographing		1,629.45	
Stationery and office supplies		1,182.41	
Books and subscriptions		816.50	
Telephone and telegraph		566.70	
Clippings		638.19	
Traveling		592.83	
Contribution—Municipal Administration Service		500.00	
Depreciation of office furniture and fixtures		211.06	
Convention		222.84	
Auditing		159.43	
Stencils		39.05	
Baldwin Prize		100.00	
Portland Prize		25.00	
Sundry		369.60	
Total expense			47,337.53
Net income for year ended March 31, 1931			$ 3,224.48

Searle, Miller and Company.

1 Cedar Street, New York City, April 17, 1931.

NATIONAL MUNICIPAL REVIEW

VOL. XX, NO. 7 JULY, 1931 TOTAL NO. 181

EDITORIAL COMMENT

We propose a new constitutional amendment to lay a perpetual embargo upon visits by parties of American mayors to foreign countries. The prestige of American municipal government is low enough abroad without artificial depression by the follies and gaucheries of junketing mayors.

*

An example of the healthy unrest in public administration is the Conference on University Training for the National Service to be held at the University of Minnesota, July 14–17. It is sponsored by the University, the United States Civil Service Commission and other agencies and departments of the federal government. Topics to be considered include the national civil service as a career for college graduates, student and faculty attitudes towards public service, the functions of universities in training for such service, and problems of curricula. The personnel in attendance will include prominent officials of the United States government and representatives of universities and institutions which are developing work in this field.

*

John M. Glenn, who has served as general director of the Russell Sage Foundation since its organization twenty-four years ago, has resigned his post but will continue to serve as one of the trustees. Shelby M. Harrison, who has served as vice-general director for a number of years, will succeed Mr. Glenn. Under Mr. Glenn's direction the total amount appropriated by the Foundation to work of other agencies has amounted to approximately $4,000,000. In addition the Foundation maintains a permanent staff for the study of current social and community problems. One of the first of its grants was for the famous Pittsburgh Survey, and recently upwards of $1,000,000 has been applied to the work of the Regional Plan of New York and Its Environs. During Mr. Glenn's administration the Russell Sage Foundation became a leader in progressive community development. Under Mr. Harrison's leadership we confidently anticipate continued growth and influence.

*

To Study the Federal Service as a Career

The Council of Personnel Administration, which was established by executive order of President Hoover, has begun a study of the present personnel practices of the federal government, which, in the words of the President, "shall serve as a basis for improvements in selection, flexibility of registers, announcements, transfers, promotions, training, and coördination of personnel activities and administration, and shall indicate the extent to which the government service does offer, or can be made to offer, a partial or a permanent career."

The function of the Council is to study the operation of the various departments and independent establishments, in order that, so far as personnel is concerned, they may be administered less as independent organizations and more as component parts of a large organization. The initial inquiry is to be confined to the 15,000 professional, scientific, and technical workers of the government.

One chief objective is the improvement of the federal service as a career. It is realized that many competent employees leave because they find themselves in blind alleys in the particular departments in which they are employed, although original appointments of higher grades are being made in other departments to positions which might well be filled by transfers of those already in the service. The present inquiry will determine progress made by employees since they entered the service, the qualifications they may possess for other work, and the possibilities of promotion in the service as a whole.

We have had frequent evidence recently that authorities at Washington charged with personnel administration are concerning themselves with improving the attractiveness of public service as a career. On a number of occasions President Campbell of the United States Civil Service Commission has pointed out the opportunities in the federal service for college graduates or other trained persons. The organization of the Council of Personnel Administration is another sign of the enlarged scope and widening implications of the merit system. No longer can civil service reform be defined merely in terms of the elimination of the spoils system.

*

Slum Abolition in Great Britain

According to H. Chapman, writing in *The Municipal Review of Canada*, 1,463,000 working-class houses have been built in Great Britain since the war. Of these 939,030 were constructed with the aid of public subsidies. The present subsidy, under the 1924 law, is £7 10s. per house per year for forty years in towns and £11 in agricultural parishes. Local authorities make an additional annual contribution of £3 15s. per house for the same period. The regulations are such that speculation for private profit is practically impossible.

Great Britain is also continuing her slum clearance program under government subsidies. A bill introduced by the minister of health, now being considered by Parliament, will expedite procedure in slum clearance and will increase government aid for the rehousing of persons whose dwellings are demolished.

By passing this bill England recommits herself to the policy of government subsidies for housing the lower income groups. The provision of decent housing is considered by the English to be just as legitimate an object of taxation as public health or poor relief.

The United States, on the contrary, still continues to rely upon the private profit motive for clearing her slums and decently housing her unskilled wage-earners. The American people are not yet prepared to apply state socialism to the extent of England, but some method of treatment must be devised more effective than the moderate provisions of the New York state housing law, whose limited dividend companies have developed no appeal for the commercial builder.

HEADLINES

A flock of bills which would have permitted Pennsylvania municipalities of varying size to adopt the manager plan were defeated in the legislature. Vigorous movements for the plan in both Philadelphia and Pittsburgh failed to muster sufficient legislative support for success. But Pennsylvania has heard much of the manager plan and P. R., and the legislature will meet again!

* * *

Constitutional amendments to permit the use of P. R. in city and county elections in California have been approved by the legislature and go to the voters of the state for ratification. P. R. was adopted by Sacramento in 1920 but declared unconstitutional by the supreme court.

* * *

In the midst of an exciting chase after political crooks, a few New Yorkers are giving serious consideration to a permanent solution to the perennial problem. Charter revision is urged by the Women's City Club and other civic groups, with sheep's eyes being cast at the manager plan.

* * *

The cornerstone of a new taxation program for Ohio was laid when the lower house passed a bill to classify and tax intangibles.

* * *

Bleeding radiators and seriously wounded fenders were the only casualties when 200 women motorists took graduation tests at the Evanston Police Drivers' school.

* * *

Among the legislative curiosities reminiscent of an earlier day was the bill introduced by a Tennessee senator to permit one of his constituents to treat cancer with a salve of his own invention. Lydia Pinkham to the rescue!

* * *

Payless pay days came again last month for Chicago school teachers as the time for them to collect their salaries found the city head over heels in debt and with only a few thousand dollars in the treasury. At last reports, the Illinois legislature was still inclined to let Chicago stew in her own juice.

* * *

Behold the political—at least the taxpayers'—millennium! Manager Henry L. Gork of East Grand Rapids refused a salary increase of $2,500, taking only $1,500. The city attorney also refused to accept an increase. This in the face of the fact that the city manager régime had saved the city approximately $40,000 in the preceding 11 months.

* * *

A bill to create a state commission of inquiry into county, township and school district government was passed unanimously by the Michigan house of representatives. The bill originated in the senate.

A state regional planning commission has been created by the Wisconsin legislature. It will be composed of the chief engineer, one member from the railroad, highway and industrial commissions, the state health officer, the director of conservation, and the director of regional planning.

* * *

The "Indiana Plan" bill, providing for a review by the state of proposed expenditures by local governmental units, was defeated in the Michigan legislature, despite, or perhaps because of, a special message from the governor advocating its passage.

* * *

A proposed county home rule amendment was defeated in the Texas legislature when, though passed by a majority vote, it failed to secure the two-thirds necessary for submission to the people.

Theft of $207,000 in public welfare funds by a $55-a-week clerk, has stirred Detroit as no other crime in years. The money went for a $7,000 automobile, an expensive motorboat and other luxuries. "Delusions of grandeur," say the psychiatrists, while people ponder how he got away with it.

* * *

The first state tobacco tax in the history of Ohio will be levied if a bill providing for tax of two cents a pack which has passed the senate is approved by the house. Time for the tobacco lobby to go into a huddle!

* * *

"The reorganization of the local governments in the interests of lower costs and lower taxes is the biggest and most important question before the citizens of this state," declares the commission to investigate county and municipal taxation and expenditures of New Jersey of which Dr. Harley L. Lutz is director. With this clarion call to arms the commission recommends radical revamping of local areas and functions.

* * *

A ten-year plan for public improvements in the city and county of Kansas City, Missouri, entailing twenty projects to cost $40,000,000, was carried by a vote of four to one.

HOWARD P. JONES.

GEMS OF GUBERNATORIAL WISDOM

CULLED BY HARVEY WALKER FROM GOVERNORS' MESSAGES OF 1931

> *Some you will agree with; some you will not agree with; some, perhaps, you will not understand.* :: :: :: :: :: ::

The credit of the state is beyond question. No bank has ever failed to let us have all that we have asked for.—*Graves, Alabama.*

Prohibition is no experiment. It is a noble principle.—*Miller, Alabama.*

It must be kept economically possible for a man to avoid going to prison.—*Green, Michigan.*

The wisdom of our Fathers was never more strikingly demonstrated than in the sound constitutional provision which prevents the state from assuming bonded indebtedness in order to meet the financial demands of expanding modern government.—*Leslie, Indiana.*

It is a well-established principle of the government of the United States that territory as well as population has a right to representation in legislative bodies.—*Emmerson, Illinois.*

Only when administration fails should we turn to legislation.—*Brucker, Michigan.*

We are the recipients of a clear mandate from a noble constituency. . . .—*Turner, Iowa.*

We are only one link in the chain of state administration.—*Woodring, Kansas.*

Any man who could foretell the outcome of business ventures unerringly would be worth $1,000,000 a year to the financiers of Wall Street. He would not be available for the office of securities commissioner at a salary of $4,500.—*Christianson, Minnesota.*

The platform is an obligation second only to the constitution itself.—*Sterling, Texas.*

Party platforms are solemn covenants with the people.—*Moody, Texas.*

This tentative program . . . is based upon the platform promises and pledges on which the administration was elected to office. It is, in other words, the mandate of the people . . . which neither you . . . nor I . . . have the right or authority to disregard.—*Seligman, New Mexico.*

Excessive taxes were an important contributing factor in creating the present economic depression.—*Adams, Colorado.*

There is a certain ferocity for righteousness which brings about turmoil and strife to no end and this is to be altogether deplored as inconsistent with the general well being of the people.—*Rolph, California.*

The poorhouse should be abolished forever.—*Meier, Oregon.*

Perhaps the people of the state should not look a gift horse in the mouth, but they can be permitted a little skepticism when upon closer examination it resembles a nice large white elephant. (Referring to an offer of the federal government to turn over certain public lands to the state.)—*Norblad, Oregon.*

Administrative functions carried on by ex officio committees and boards have proved diabolical, extravagant, incompetent and unbusinesslike.—*Hartley, Washington.*

I have viewed with gravest concern the continued efforts of federal departments and bureaus to encroach upon the jurisdiction and sovereignty of the state.—*Hunt, Arizona.*

We should protect our Christian Sunday and prevent it being commercialized by amusement operated for gain.—*Graves, Alabama.*

I have been enjoined by the courts more than any governor in the history of the state.—*Richards, South Carolina.*

Many a man is sent to prison, but it is his wife and children and the taxpayer who are punished.—*Conley, West Virginia.*

The automobile is an inherently dangerous instrumentality.—*Ely, Massachusetts.*

The two main factors entering into good administration are thorough organization and a force of employees well trained, loyal and industrious. . . . No administration can succeed without the support of public opinion.—*Fisher, Pennsylvania.*

It should be easy for the people to see their governor.—*Pinchot, Pennsylvania.*

The old governmental system of guilds is one of the best forms of government ever devised.—*Larson, New Jersey.*

Remember that the purpose of government is to protect the people by restraining unwise and evil conduct and by encouraging wise and virtuous action, not to repeal the laws of human nature nor to suspend the laws of economics.—*Shafer, North Dakota.*

I recommend that all discrimination between citizens be wiped from the statute books by the repeal of the intangible tax law, so that the citizens will be one hundred per cent American in the manner in which they pay their taxes as well as in their patriotism.—*Bryan, Nebraska.*

You are fresh from the people. Their wishes as expressed at the ballot box are fresh in your memories. There can be no mistake in their command.—*Horton, Tennessee.*

The collecting together of thousands in a university does not at all improve it. . . . The average university graduate acquires a taste far beyond his ability to satisfy. . . . No university ever made a brain.—*Murray, Oklahoma.*

ROTTEN BOROUGHS IN GEORGIA

BY CULLEN B. GOSNELL
Emory University

Unfair representation at its worst. No regard is paid either to population or taxpaying. The basis is wholly arbitrary. :: :: ::

SINCE the appearance of the boll-weevil in Georgia about ten years ago, there has been a very marked migration from the farms of the state. It is said, on good authority, that 60,000 Georgia farms have been abandoned during this period. A very large percentage of these migrants are negroes, many of whom have departed for the East and Middle West. Many others, however, have moved into cities of the state. Atlanta now claims over 367,000 people;[1] in 1920 it had only 200,616. The 1930 census shows that Georgia has gained only 12,674 people, or four-tenths of one per cent, in the past ten years. The increase in population in the previous ten-year period was 286,711, or eleven per cent.

RURAL COUNTIES GROSSLY OVER-REPRESENTED

A few examples of losses and gains in population by counties will show the large degree of change that has taken place. By the 1930 census figures, 104 of the 161 counties lost population to the amount of 249,441 people, or an average of 2,398 for each county. But in spite of population losses, which have been confined to the rural counties of the state, representation of such counties in the Georgia legislature has not been changed. Every one of the 161 counties in Georgia has at least one representative in the lower house of the legislature. Article III, Section 3, of the Constitution of Georgia says:

> The House of Representatives shall consist of representatives apportioned among the several counties of the state as such counties are marked and defined and as the same may be hereafter created as follows: To the eight counties having the largest population, three representatives each; to the thirty counties having the next largest population, two representatives each; and the remaining counties, one representative each. . . .

The eight counties having three representatives each are: Bibb, Chatham, DeKalb, Floyd, Fulton, Laurens, Muscogee, and Richmond.

The Constitution of Georgia does not permit the legislature to increase the number of representatives. Article III, Section 3, Paragraph 2, of the Constitution reads:

> The above apportionment shall be changed by the General Assembly at its first session after each census taken by the United States government, so as to give the six counties having the largest population three representatives each; and to the next twenty-six counties having the next largest population two representatives each; but in no event shall the aggregate number of representatives be increased.[2]

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[1] A case is now pending before the Supreme Court of the United States in which Atlanta is suing the director of the census for not publishing the figures for Greater Atlanta which gives the city over 367,000 people. Under the Greater Atlanta Act passed by the state legislature, in 1929, several suburban towns were included with Atlanta to form Greater Atlanta.

[2] A constitutional amendment was passed in 1920 changing the number of counties having three representatives each from six to eight and increasing the number of those having two from 26 to 30.

The only way, then, that the total number of representatives can be augmented is by a change in the fundamental law.

In Georgia there are many examples of unequal representation. Fulton County has 318,587 people, Echols County has 2,744; yet Fulton has only three representatives in the house of representatives, while Echols has one. In other words, Echols County has one-third as many representatives as Fulton, although it has less than one-hundredth as many people. Floyd County with a population of 48,864 has the same representation as Fulton County. The nine smallest counties have a total of 36,434 people, only approximately 4,000 more than Laurens County, yet they have a total of nine representatives in the lower house, while Laurens has three.

The most extreme case, however, is that of Fulton County. The forty-six smallest counties in the state have a total of 308,170 people, or about 10,000 less than Fulton County, yet they boast 46 representatives in the house of representatives, while Fulton must rest content with three. There are 123 counties which have one representative each in the lower house.

REPRESENTATION AND TAXES

A comparison of taxes paid to the state by the people of various counties is interesting here, although it must be understood that the writer holds no brief for representation exclusively according to taxation. Fulton County pays 24 per cent of all state taxes, while the 33 smallest counties together pay only 4 per cent; 80 counties combined pay 21 per cent, or 3 per cent less than Fulton alone. There are some counties with less than a million dollars in property valuation.

INFLUENCE ON PARTY NOMINATIONS

This unfair system gives the rural counties of Georgia a preponderance of power in the choice of state officials and congressmen. The unit system of nomination used by the Democratic party in this state is based upon representation in the lower house of the general assembly. Each county has twice as many unit votes as it has representatives. Primaries for the selection of Democratic candidates for state offices and for congress take place on the second Wednesday in September of even years. The candidate for each office who secures a plurality of the popular votes in any county receives all of the unit votes of that county. Under the Neill Law of 1917, nominees for governor and for United States senator must secure a majority of the unit vote of the state or 208 (the total is 414); minor state house officials are required to have only a plurality of the unit votes. The candidates for governor select delegates [1] to the Georgia Democratic Convention which takes place about three weeks after the primary. These delegates vote for the candidates that have been successful in their respective counties. Delegates are chosen from each county, usually two for each unit vote their county is entitled to, each delegate thus having one-half vote. Formal nomination of the candidates for United States senator, governor, and minor state officers takes place at the state convention.

Under this pernicious unit system, it is possible for the small rural counties to outvote the urban centers. It requires 208 unit votes to nominate a candidate for governor or a candidate for the United States Senate. The 123 rural counties with two unit votes each, have a total of 246 unit votes, or more than enough to nominate a candidate. Many of the small counties cast less than 400 votes in Democratic primaries, yet each has two unit votes. One little county (Dawson) cast a total of 70 votes in the second primary last fall, but it had two unit votes in the convention, or one-third the nomination strength of Fulton County which cast nearly 10,000 votes in the same primary.

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[1] If a run-over primary is necessary in order to choose nominees for governor, the two run-over candidates pick the delegates.

It should be stated here that Democratic nomination in Georgia is equivalent to election. The Republican party does not put out candidates for state offices nor for the United States Senate, and rarely does it run candidates for the House of Representatives at Washington. One can easily see how the urban centers are "hog tied" in Georgia in every way. It is very rare that a man from one of the larger cities is elected to a high office by the people of the state. He might be able to muster many popular votes, but they do not count in the long run.

SENATE REPRESENTATION UNFAIR ALSO

Furthermore, representation in the Georgia Senate is unequal, although it is not so startling as in the lower house. There are fifty-one districts in the state, each returning one senator. Districts are composed generally of three counties and not more than four. Fulton County is in the thirty-fifth district with Clayton and Henry Counties; these three counties have a total population of 344,771. Now, the thirty-second district is made up of Dawson, Lumpkin, and White Counties with a combined population of 14,485.

A curious custom has grown up in the Democratic party in this state for the nomination of candidates to the Georgia Senate by which seats are rotated among the counties of a senatorial district. Each county in a district has its "turn." Not only does the man come from the county which is next in rotation, but in many districts that county nominates him while the other two or three counties in the district do not even vote for senator. By this custom, the people are represented only two out of six years. Thus Rockdale County with its four or five hundred voters will elect the senator in the thirty-fifth district while the six or seven thousand voters in DeKalb County will have nothing to say about it.

What hope is there in Georgia for a more equal representation? It will be necessary to have a constitutional convention in the state before this problem can be solved. There is a strong movement on foot for a new constitution at the present time. The civic clubs and various other organizations are backing this movement, but the press of the state is probably doing more to bring it about. One individual should be singled out for his splendid work along this line; this is Judge Orville A. Park of Macon.

DIFFICULTY OF AMENDING THE CONSTITUTION

And yet, what chances there are seem to be in the remote future, for the constitution provides that a constitutional convention cannot be held until two-thirds of both houses of the legislature give their assent; and it further prescribes that the delegates to a constitutional convention must be distributed, as nearly as possible, according to population. It will be difficult to get the small rural counties to agree to a convention, for they realize that such a convention would very probably do away with the unequal system of representation. These counties are in the "saddle" now and I fear it will be very hard to unseat them. If pressure is brought to bear, however, they may yield in the long run. The people are being told now that the state is standing still in population due to the urgent need of a new constitution. A campaign of education may bring about the desired result.

PITTSBURGH'S CITY ADMINISTRATION UNDERGOING REPAIRS

BY ELBERT EIBLING
University of Pittsburgh

Improved practices follow exposures in departments of supplies and public works. :: :: :: :: :: :: :: :: ::

Two departments of the government of Pittsburgh have been under investigation recently. First, in point of time and importance, is that dealing with the department of supplies, while the other concerns the department of public works. It seems best to discuss the latter first for reasons which will appear evident later.

Early in March, former City Controller Evans asked in a letter to council for an investigation of the department of public works, charging waste and inefficiency and expressing the belief that fraud was practiced. Director Lang was quick to welcome an open hearing, and council promptly voted for a quiz.

This investigation consumed about five weeks during March and April, and, although it revealed no downright fraudulent activity, it established the fact that too close associations existed between some city employees and certain city contractors. In the matter of appointments, the director seems to have a free hand regarding technical positions, but there is admittedly some interference by the mayor in the selection of inspectors. The director has suggested that inspection be done by a private concern.

Indeed, Pittsburgh has an inspection system of doubtful value. The bureau of tests has just recently begun testing sidewalks laid in 1930, and to date every one has been found to be under specifications. Why these facts have not been discovered earlier is not explained.

EXTRAS FOR STREETS AND SEWERS

Mr. Evans charges that $1,100,000 was spent in 1926, 1927, and 1928 as extras on street and sewer contracts (13.3 per cent of the total), were substantiated. As the result of changes made in 1929, the percentage since that time has fallen to seven. A committee of five engineers, named by the Engineering Society of Western Pennsylvania and paid by the city, are now surveying the department's methods in drafting specifications and in the awarding and prosecuting of contracts. The director throughout the probe declared himself willing to improve the system and correct proven defects.

The department of health came in for some attention in relation to the letting of the contract for garbage collection. Mr. Evans charged that one of the two concerns handling the city's business made 31.4 per cent net profit in 1930. As a result, bids will be asked for much earlier this year, and the department is studying the feasibility of developing a city incineration system.

THE FOOD SCANDAL

We revert now to the "food scandal," the colloquial term for the revelations in relation to the department of supplies. Early in February, a wholesale grocery dealer in a letter to council charged favoritism and extravagance in the purchase of canned goods. Mayor Kline, to whom council referred the charges, conducted a brief secret investigation, which was in reality merely an informal conference between the mayor, controller, the accused director, and representatives of wholesale grocery firms. No member of the district attorney's office was present, and the author of the original charges refused to attend, demanding a public hearing. It is highly significant that the law regulating second-class cities (Pittsburgh) makes the mayor jointly responsible in the letting of contracts by providing that, "Every contract shall be let by the Mayor and head of the proper department."

As the report of the mayor to council was repeatedly postponed, the public became suspicious. Finally, the chief executive reported "visible irregularities" in the department, dismissed the director for exercising "poor business judgment," and made the tantalizing pronouncement that hereafter city institutions would be furnished with pink instead of red salmon.

Mr. Succop, the dismissed official if not also the goat, made no statement at this or at any later time. The League of Women Voters, supported by the entire press, demanded an open hearing. Although every member of council had earlier declared for this if the mayor failed to put his own house in order and in spite of the widespread condemnation of the executive's shallow report, council refused by a seven to two vote to investigate the accused department. Embarrassed members of the "mayor's majority" quoted the scriptures in defense but were met with laughter from the crowded chamber.

Civic groups roundly denounced council's action, and a citizens' committee was speedily formed to join with the league in financing an independent audit of the books of the accused department. The controller, it is true, had approved an audit earlier, in spite of the solicitor's ruling that the law did not require such. For over two months two private accounting firms have been checking the 1929 and 1930 accounts of the department of supplies. Both apparently have finished their work, but no definite discoveries have been made public, and there is little likelihood that any will be revealed if the matter is placed before the grand jury, whose proceedings will be secret. Representatives of the citizens' committee have held several conferences with the district attorney, and the chairman of this group repeatedly maintains that the prosecutor is coöperating fully with them. The committee has retained competent counsel and has on the whole approached the problem from the realistic rather than the reformist point of view. It seems to have the confidence of the most cynical. An audit by the controller's accountants alone might have brought all irregularities to light, but it is certain that public confidence would have been found wanting.

Many intelligent Pittsburghers probably assume a much worse condition than really exists. It is difficult to understand, however, why no one has demanded a probe into the police department, which common knowledge holds to be the most obvious hope of politicians. It is this department that suffered most for not heeding the mayor's warnings in his famous "bread and butter" speech during the last mayoralty campaign.

HIGH BIDDERS HABITUALLY FAVORED

In spite of the secrecy of the audits, certain facts have been ascertained. The department of supplies habitually purchased from high bidders, and one firm sold the city 62 per cent of all canned goods used at city institutions.

This company, it is true, sold the state of Pennsylvania 32 per cent of its supply, but at a much lower price. No samples have been tested for quality since September, 1929, when the favored firm won the large yearly contract at a time of peak prices. In September, 1930, $10,000 worth of canned goods were purchased of the same company within an eight-day period, and, plainly in order to evade the law requiring that bids be asked for in purchases over $500, the order was split up into units of less than that amount. Similar methods were used for the purchase of other supplies. On meat bids, for example, the lowest bidder was determined by the aggregate listing on 30 different cuts. The dealer who listed steak at one cent and veal cutlets at 70 cents per pound got the contract. Needless to say it was veal cutlets, not sirloins, which were purchased.

Recently, clear disregard of the state law, which requires all contracts be let to the "lowest responsible bidder," has been revealed by a city newspaper.

When the city advertised for bids on five two and one-half ton trucks, twenty firms submitted quotations. Two were purchased from the very highest bidder and three from two different firms who bid the same but not as low as nine other firms. The records reveal nothing which would suggest that any of the twenty did not meet specifications or were not responsible.

That such practice is illegal is made clear by a recent Pennsylvania Supreme Court decision in the so-called Water Meter Case decided on May 11. The director of supplies (the same director involved in the investigation) awarded a contract for 3,000 water meters at $27,996, ignoring a $26,092 bid. His defense was that the low bid was "unbalanced," but the court said, "Once it is determined which of the bidders are responsible, discretion ends; the contract must be awarded if at all, to the lowest responsible bidder."

PRESS ATTACKS UNANIMOUS

The city press—composed of three newspapers representing the Scripps-Howard, Block and Hearst interest—has attacked the administration with unanimity and severity. All have been pragmatic enough to see the publicity value in such things as the purchase of a $1,950 rug and expensive chandeliers for the mayor's office, and six $122 custom-built tires for his city-owned automobile, all beyond the $500 limit and all without asking for bids. By examining city records one paper discovered that council had spent over one-half million dollars since January, 1929, without bids, some for extras on contracts, some when a real emergency arose, but $122,000 apparently under the assumed authority of the so-called Wallace act of 1874, a general law regulating and classifying Pennsylvania cities. This act provides that, "No ordinance shall be passed except by a two-thirds vote of both councils, and approved by the mayor, giving any extra compensation to any . . . contractor after . . . contract made, nor providing for the payment of any claim against the city, without previous authority of law."

Interpretation of this law is interesting to students of municipal government. The state Supreme Court has said that, "Under the authority given to councils by this act, it would seem clear that they are given the power to pay extra compensation or to pay bills for work done for the city under illegal contracts or even when there was no contract."[1] In another case the

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[1] *Edwin H. Vare* v. *John M. Walton, City Controller of the County of Philadelphia,* 236 Pa. 468 (1912).

United States Circuit Court agreed in the interpretation of the law and in the belief that it is to the legislature that the public must look for the remedy.[1]

It seems that it is the first mentioned case upon which council, the city controller, and the law department rely. Laws regulating the government of Pittsburgh have been passed largely since 1874, but whether they would nullify the Wallace act with respect to the matter under discussion has apparently never been decided by the courts. The question may be an academic one, but since the act of 1874 is negatively stated it appears that a law definitely repealing that particular feature would be necessary if the taxpayer is to be protected, by anything but his own vigilance, against a careless council over-tolerant of loose administrative practices.

POLITICAL BIASING ON KLINE ADMINISTRATION

Political effects are already evident. Although a previously planned fight to get the state legislature to allow the city the option of adopting the city manager form of government under proportional representation was undoubtedly aided in some respects by the disclosures, the proposal failed in the lower house by a few votes—the Pittsburgh delegation voting almost solidly against it. Civic organizations are even now laying plans for a fight at the next election of state representatives. That is almost two years hence, but the city is not to wait that long. The East End Independent Political Club is openly planning to fight adherents of the Kline organization in the fall primaries.

So as things now stand a group of engineers continue their investigation of public works; Mr. Evans awaits the return of the mayor to his office that he may question him regarding political appointments in the department of public works (the mayor has been absent from duty for about two months, due partly to sickness); and lastly the citizens' committee have placed their findings before the district attorney and a grand jury investigation seems likely to follow.

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[1] *Valentine Clark Co.* v. *Allegheny City*, 143 Fed. Rep. 644 (1906).

DETROIT FEEDS ITS HUNGRY

BY WILLIAM P. LOVETT

Secretary, Detroit Citizens' League

Detroit has been appropriating more than $1,500,000 per month for public relief. Approximately 45,000 families have been on the relief roll for more than a year. But politics and fraud have marred the record. :: :: :: :: :: :: :: :: :: ::

If one learns best by doing, Detroit's past hectic year of struggle must have left the city a rich experience, at least. Beginning with Mayor Charles Bowles, who was recalled from office by popular vote July 22 last, the year has been kaleidoscopic indeed. Mayor Frank Murphy took hold last September, after making unemployment relief practically his entire platform. Since then we have had the benefit of the Cincinnati plan and all the other municipal plans. Yet our mayor told his Unemployment Committee as late as May 12, "We must bend all our efforts toward getting federal aid to relieve our current emergency caused by unemployment; meantime we must organize ourselves in preparation for this aid."

On the credit side the record shows a major city tackling without hesitation a situation filled with perils, difficulties, and impossible problems. To do this we made no new decision. The city always had furnished welfare relief most generously to its unemployed. This situation differed in its size, and in its unexpected duration. But even when the stringency of the general depression was aggravated by a municipal welfare deficit of $15,000,000 and still mounting, the city continued to believe in its ability to find a way out.

In December, 1929, when the effects of the national crash in the stock market were beginning to be appreciated, alarm was sounded by our United States Senator, James Couzens, former mayor. Before the annual meeting of the powerful Michigan Manufacturers' Association he pictured the acute problem of seasonal unemployment in Detroit's automobile industry. He challenged industrial leaders to show "a will to do," and to make an attempt to solve this and related problems, if they would avoid the disagreeable alternative of action by the government. It developed later that certain few plants had made sincere efforts to stabilize employment, but without significant results.

Mayor Bowles' brief reign was in a literal sea of troubles: the ship of state pitched and rolled as if it had lost its rudder. In a badly divided field of candidates Judge Frank Murphy, by a bare plurality, was chosen mayor in September, 1930, having the vigorous support of the Hearst paper. For a dozen years the city, under a modern charter, had heard much about efficiency and economy; the common man now was led to believe that he had been overlooked. Advantage was taken of a unique political opportunity.

NEW MAYOR PROMISED FOOD FOR ALL

While the city faced financial deficit and unemployment, Judge Murphy thrilled thousands of voters with ringing emotional appeals for recognition of the human values. He forecast "the dew and sunshine of a new day"—a phrase frequently echoed more recently to his apparent discomfiture. He demanded old-age pensions, unemployment insurance, and insisted that no human being would be without food or shelter if he were elected mayor.

On that program Mayor Murphy was elected. That has been the program since he took office last September. (That always was Detroit's program.) Nobody has gone without food or shelter. But with the state legislature in session almost five months, the bills for old-age pensions and unemployment insurance were among the missing.

The basic problem of the city budget for the year beginning July 1 next has been handled with amazing success by city officials and citizen agencies working in close coöperation; this includes the deficit in current expenses, the varying welfare fund deficit of millions, and certain borrowings. But the only thing we have proved, as to unemployment relief by the city government, is that conditions made the problem too big for the city alone to solve in any ideal fashion.

Perhaps Cincinnati showed superior wisdom by preparedness. Or Cincinnati, like all the others, could not equal Detroit in the number and size of its difficulties. When has any American city past or present appropriated more than $1,500,000 a month, over a period of many months, to public relief? (No wonder Mayor Murphy called it a famine!) Is it not a new record for a city to carry 45,000 families on its relief roll for most of a year?

Mayor Murphy began by naming a huge citizens' committee, more than a hundred men and women from all groups and classes—industry, labor, business, religion, society and civic affairs. Numerous sub-committees were formed. Other committees were added and multiplied, till the count was lost. In May the five latest committees were: for investigation of welfare food budgets, for study of the milk problem for indigent families, committee on pre-natal and infant care, labor committee, and committee on old-age pensions. Some of these may be survivals, or revivals, but they have been announced as new.

COMMUNITY CHEST INADEQUATE FOR EMERGENCY RELIEF

Our community chest, running annually above $3,000,000, secures funds for the maintenance of eighty organizations but emergency relief customarily is handled through the city or county governments; hence public appeals for private gifts were neither made nor expected. Like snow removal, the city fathers have put into the budget each year a nominal amount for welfare relief, later granting over-drafts and creating deficits according to needs. Thus the city always has been prepared yet unprepared, generous but quite unscientific in its methods. Like our industrial growth and financial prosperity we always had enough to go round—so, why worry?

For the unemployment committee the city council appropriated $35,000; city employees added as much more by their personal donations. A flock of secretaries was engaged and things hummed, chiefly in the office of the mayor. The natural procedure was followed: to list the unemployed men and their families, see that necessary food, lodging, fuel, shelter and clothing were provided, locate workingmen in jobs, private or municipal, wherever possible, weed out non-residents and unworthy, care for the sick, etc.

Granting his sincerity, good intentions, and enthusiasm, the mayor's obvious lack of any definite plan, in dealing with tasks so many and so great, opened wide the doors of controversy and criticism. "The whole mess might have been prevented, or vastly changed, if more good judgment had been exercised at the beginning"—so affirm those who "never liked Murphy anyway, and didn't vote for him." Naturally the political winds have blown cold or hot, here or there, with guesses as to whether this history, in the mayoralty election next fall, will become to Mr. Murphy an asset or a liability.

"Surely," it is said, "he never can find jobs for all, and the jobless will be mad." "He got hold of a bear by the tail." But it is retorted, "Dew and sunshine always win with the masses." Or, "Soak the rich, for they pay the most taxes anyway."

LEADERS AT ODDS

Early meetings of the general committee revealed that it was too big for effective service, and highly charged with elements of industrial and social controversy. The factions met and wrangled. Only the mayor's official authority on many occasions prevented dissolution. The press of course stirred the pot, and secret meetings were hard to arrange.

Leaders of capital and labor often locked horns, then separated in disgust. The labor union faction, a distinctly minority group under questionable leadership, hung to the mayor's coattails and demanded acceptance of some fundamental theories, forcing questions as to labor conditions and seeking to raise the bars against any employment of Canadians. Mayor Murphy openly or covertly sided with this group; he declared "the emergency must not be made the excuse for lowering wage or other labor standards."

The chief trouble arose from criticism of the manifest exploitation of the whole system, or lack of system. Large numbers of men and families have received help who neither needed nor deserved it, who had no real residence in Detroit, or who might have been supporting themselves here or elsewhere at honest work if they had not been too lazy or dishonest. The facts on this point simply cannot be known. Opening of free lodging houses for men aggravated the condition, which was not helped by the fact that a large percentage—perhaps a fifth—of those receiving aid had been employed in the past by factories in Detroit suburbs, including Ford's, which do not pay taxes to Detroit.

When there was talk of "men in good clothes, driving up in automobiles to get their dole," Mayor Murphy replied, "No one has said our specific method of welfare was wrong, and no one has suggested a better one." His answer to opponents of unemployment insurance has been, "The city has been paying this insurance for years, through its welfare department."

But why not let the city find jobs in city employ for those who are helped? There have not been enough jobs to satisfy a tenth of the needs, and trial of this plan showed a heavy loss in labor efficiency.

In March the welfare expense ran to $1,800,000. The industrial and social tide was at its lowest ebb. Since then it has been slowly rising. The April appropriation was $1,344,000, still surpassing that of New York. With the backing of the Citizens' Committee on City Finance, which thought out the city budget plans accepted by the mayor and council, Mayor Murphy and his associates began to accept also that coöperation in solving the relief problem which previously he either had not wanted or was unwilling to accept.

The whole story is one of distrust as against confidence, suspicion and aloofness as against community understanding and coöperation.

SIX MONTHS WASTED

Six months had to be wasted because last summer, during the heat of the political upheaval, good people made faces at one another and then found it hard to compose their differences. The Hearst paper was hardly the most effective channel for Mayor Murphy to impart his social idealism to the potentates of industry, who got the idea that their years of profit-taking had filled a financial reservoir which now the community proposed to tap—even though Henry Ford was beyond the reach of the city. "My administration," said the mayor, "is determined to make the care of the indigent and unemployed, not a private charity, but a government concern." If the rich could live easily on their reserve, why should not the poor somehow have a chance to live? Otherwise, it was hinted, "our city will run red with riots."

On principle the mayor was more sympathetic with union labor than with employers. This always has been an open-shop town, but the past year has notably strengthened the prestige and political influence of the organized labor minority. Efforts, early and late, to procure friendly conference, privately or in public, between the mayor and "big business" men, were fruitless of results. The employing class were in a critical mood, especially after taking the heckling of union leaders in committee meetings. A further irritation was the issue of free public speech for the radicals, on which the mayor won a well-deserved victory by establishing a public forum.

TRAINED SOCIAL WORKERS OVERLOOKED

Why did not Mayor Murphy save months of time and effort by utilizing, at the start, the services of trained social workers, ready to step from the ranks of the community chest group? "He did use them," is the local reply. But he, or others, far too long kept them too far in the background, lacking in authority or responsibilities.

"City agencies and professional welfare workers," it was said, "by virtue of their training are rendered incapable of handling the current emergency problem. We are not dealing with tramps and paupers, but with respectable citizens temporarily out of employment. Only volunteer workers, with the community's social problems close to their hearts and their viewpoint unobstructed by the formalism of the professional worker, are fit to handle the situation."

Mayor Murphy's "dew and sunshine" policy received its body blow June 9, when Detroit was amazed to learn, quite by accident, that frauds in administration of the welfare department had mulcted the city of $200,000 or more, while one clerk, who confessed to the theft of $60,000 by manipulating grocery orders, loomed with a sensational police and penitentiary record. Thus was proved the folly of operating a huge relief program by volunteer workers, instead of demanding from the start a leadership of trained, trustworthy experts.

That point of view explains much of the municipal failure, to the time when John F. Ballenger and Stuart Queen, of the Community Union group, really became directors of the program. Now Mr. Ballenger publicly states his belief that the welfare department of the city never was organized to face a problem such as 48,000 families constituted. Within the past two months the trend has been from hit-or-miss relief, inspired by heart-throbs, to an increasing degree of system and efficiency, from listing and investigations to the final link in the chain. Whatever next winter may bring, apparently we shall be prepared for it. There is a coöperation all down the line, in plans and activities, which formerly had been impossible. We may even be able to discover how many men or families really never belonged on the Detroit list of unemployed; opinions on this point still differ widely, but the general opinion is that thousands ought to have staid in some other city, or should have been at work while here.

Political arguments are bad enough, but when factions wrangle over basic social and industrial issues, naturally one should not listen for harmony, even in relief of human suffering. Now we are on the eve of another municipal campaign; the election comes in November, and Mayor Murphy is one of the candidates. It is fortunate that the brunt of the welfare relief problem is being transferred, in part at least, to trained leaders and workers. But no doubt the question will be kicked around during the coming campaign. And Detroit doubtless will muddle through to some kind of satisfaction for municipal democracy.

We have won several things: solution of the present municipal problem of finance and the budget, despite tax delinquency and emergency expenditures—New York banks and bond concerns have proved that Detroit's credit is first-class; recognition of training and experience in giving municipal aid for the unemployed; a demonstration of real coöperation on budget-making between the city government and its civic-business organizations. But we are not advertising any new or novel answers to the question of unemployment, municipal or industrial.

A recent writer in the NATIONAL MUNICIPAL REVIEW (May, 1931, p. 279) asserts: "The municipality holds the key position in any plan which aims effectively to combat unemployment evils." This may be true if it means that local aid must be given locally, by local means. But Detroit's experience indicates the further need of deep thinking on broad lines and coördinated planning of a sort which avails itself of general experimentation, even on state and national lines. Somehow business and government must work together, must give authority to social and industrial experts, and must not expect such a city as Detroit, with its excessive emergency burden, to operate its government aid in complete isolation.

POLITICS AND SEATTLE'S MUNICIPAL LIGHT SYSTEM

BY JOSEPH P. HARRIS
University of Washington

Movement for recall of Mayor Edwards grows from contest over Seattle's municipal light and power system. Policies regarding public ownership of other utilities are involved. :: :: :: :: ::

On Monday, March 9, Mayor Frank Edwards of Seattle removed J. D. Ross, superintendent of the city light department. This was on the eve of the regular municipal election, which turned in large measure upon the issue of municipal ownership. Three councilmanic candidates were regarded as warm supporters of municipal ownership, and the other candidates as lukewarm. The election had especial significance because of a pending initiative measure which would give to the lighting department charge of its construction. Heretofore this work had been under the engineering department of the city. The advocates of the initiative measure pointed out the lack of coöperation between the two departments, the delays in construction, and the lack of definite fixing of responsibility for carrying on the engineering work; while the opponents charged that it would make the city light department a super government. J. D. Ross, superintendent of the department for twenty years, and regarded by many citizens as the father of city light, strongly advocated the change. It was first submitted to the council for consideration, and being voted down, was placed upon the ballot by a popular initiative.

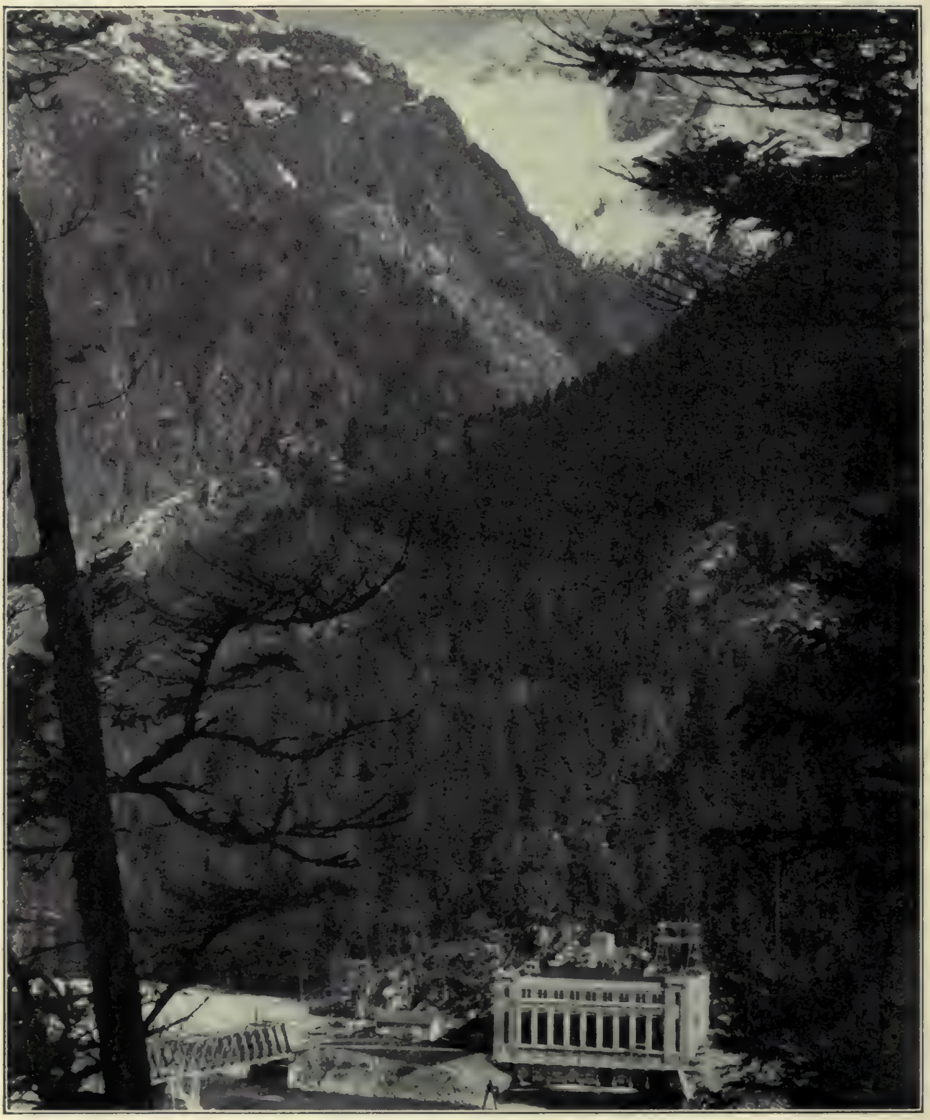
ROSS' REMOVAL CARRIES CHARTER AMENDMENT

The removal of Ross on the eve of the election startled the city. Why was it necessary to remove him at this particular time? What connection did his removal have with the councilmanic election and with the initiative vote upon giving the lighting department control of its engineering work? Mayor Edwards' opposition to the charter amendment was known, and it was generally interpreted as a move to defeat this proposal. If so, it was an unwise move, for the charter amendment, which according to unofficial polls was due to be defeated, after the removal of Ross was passed by a narrow majority. Ross, upon hearing of his removal, promptly arranged for radio time on one of the local stations and went on the air that night asking the public to vote for the amendment, regardless of whether he was at the head of city light or not. The councilmanic election resulted in a victory for the supporters of the municipal light department.

Following the discharge of Ross, the Municipal Utilities Protective League, which had handled the initiative campaign for the charter amendment, called upon the city council to impeach the mayor, which, after some consideration, it refused to do. Then a movement was started to recall the mayor. In the meantime the mayor supplemented his original statement of the reasons for Ross' dismissal by a letter to the council, listing seventeen charges against him. Some of these charges went back as far as twenty years in the history of the department. Shortly afterwards Ross replied to the charges, answering them one by one, and asserting that none was true. He pointed out also that many of the purchases, contracts, or other acts involved in the charges were either the acts of the board of public works or the mayor and council.

MAYOR'S RECALL UNDER WAY

The appointment of a new head of the city light department by the mayor had to be approved by the council, which for a month or more refused to confirm the candidates nominated by the mayor and adopted a resolution to the effect that it would not confirm any



Gorge Power House—Seattle Municipal System appointment other than that of Ross. Each new appointment and refusal by the council to confirm, as well as other developments, afforded publicity for the recall movement, now well under way. Recently an appointment was confirmed by the council. The opponents of the mayor charged that he had attempted to wreck the city light department and that the removal of Ross had been dictated by the privately-owned, competing electric company. The mayor and his friends charged that Ross was wrecking the city light department and it was necessary to remove him to protect the city from the political machine which he had built up.

Many old charges of mismanagement of the city light department were aired, dealing principally with delays in construction and costs exceeding the original estimates. The original estimate by Ross for the first unit of the Skagit hydro development, the Gorge plant, was $4,988,000. This was made in 1918. When the plant was completed in 1924 the cost amounted to $12,787,866.04. This difference between the original estimate and the actual cost has been the cause of much comment, which has continued from year to year. It has been cited as proof of the excessive cost of municipal ownership and of mismanagement. The facts are that the higher cost was due to an enlargement of the plans, the building of a larger tunnel from the dam to the power house, the increase in the capacity of the plant from 53,000 h.p. to 75,000 h.p., and the building of a railroad twenty-three miles long in the place of the wagon road originally planned. The construction was delayed for several years and in the meantime the cost of construction mounted rapidly.

The Seattle Municipal Utilities Protective League filed a series of charges against the mayor as the basis for the recall. Of these charges, the corporation counsel of the city held that two were legally adequate for a recall election, namely, that the mayor had filed a false statement of his reason for the removal of Ross, and second, that he had appointed as superintendent of the utilities department (in charge of the street railway system) a man who was not an expert in transportation, as required by the charter. Recall petitions bearing these charges were printed and distributed to volunteer workers.

The campaign for a recall election was supported by two local newspapers, each a part of newspaper chains, and bitterly opposed by a third newspaper, not a member of a chain. One of these newspapers began to feature stories of graft and favoritism in the city government. The mayor was criticized for purchasing $11,000 worth of office furniture from a revolving fund, without bids. Other purchases without bids were dug up, and the superintendent of public utilities was charged with paying an excessive price for various equipment. Other officials were charged with lending city equipment to private contractors. A relative of a public official brought suit to collect $5,000 promised him for his influence by a contractor to the city, but the court dismissed the case as contrary to public policy.

Toward the end of April the recall leaders filed their petitions with the city clerk, having several thousand names in excess. At this stage the mayor and a group of eight taxpayers started legal action to prevent the recall from being held. Each step in the legal fight, which at this time (May 27) has not been concluded, afforded a great deal of publicity, particularly in the newspapers opposed to the mayor. At the same time a movement was started to get the signers of the recall petition to withdraw their names, but was unsuccessful. The leaders of the recall issued notices, prominently displayed by the press favoring the recall, warning the signers that they might be intimidated by solicitors asking them to withdraw their names, and urging them to report such at once. The signers were alarmed and in some cases it was reported that they turned the hose upon the anti-recall workers. The anti-recall movement was dropped when it became apparent that there was no chance to secure enough withdrawals to prevent the recall election.

The recall election has been set for July 14, and unless it is denied by the courts, the city will face a bitter contest. The charges permitted to stand as the basis of the recall will have little or nothing to do with the election. The real issue will be the record of Ross, whether the mayor was influenced by the privately-owned utility, whether a political machine has been built up in the city light department, and, in a large measure, public ownership versus private ownership. There will be an acrimonious struggle between various forces in the community; public ownership versus private ownership, though in this particular contest there will be no open fight upon municipal ownership; two newspapers against a third one, all attempting to use the fight to increase their circulation; and the mayor versus J. D. Ross. The mayor will suffer because the removal was made on the eve of the election, but will gain by reason of his undisputed legal power to make the removal. No one can predict the outcome.

OTHER UTILITIES INVOLVED

In the meantime there is a great deal of dissatisfaction with the existing government, caused by the airing of various charges of mismanagement, inefficiency and corruption by both sides. One of the newspapers has conducted a relentless drive on the existing departments. The municipal street railway system has been in trouble for several years and has been unable to retire the outstanding obligations according to its contract with Stone and Webster Company. The trouble of the street railway system is generally attributed to an excessive purchase price, with correspondingly heavy overhead charges, and a declining revenue, which it is impossible to remedy by alteration of the fare. The rolling stock and the road bed are not being kept up. Various surveys and reports by citizen committees have offered alterations in policy and organization, but so far no solution to the very acute situation of the street railway system is in sight. A proposal was recently made to the council by a bond brokerage firm to refinance the street railway upon a longer term of years, increasing the outstanding debt from approximately eight million to twelve million dollars, the rate of interest from five to six per cent, and, in addition, virtually to make the city guarantee the bonds. This proposal met with opposition and the necessary legislation could not be secured from the state legislature.

Another proposal has been made to have the people vote at the 1932 city election upon a proposition to condemn and take over the privately-owned electric utility and several of its power plants. This proposal has been made at various times by former superintendent J. D. Ross and by the warmest supporters of city light in the city council, but the immediate move was by three councilmen not ordinarily looked upon as enthusiastic supporters of municipal ownership. If the matter is brought up for a vote before condemnation proceedings are carried through the courts, the public will have little notion of what the cost of the privately-owned light and power system would be. The various estimates range from ten to seventy-five million dollars. The amount will depend largely upon how much allowance is made for severance charges. It is proposed to take over two steam plants and one hydro site of the private company to avoid severance charges. While substantial economies in distribution would result from the creation of a public monopoly of electric light and power, and the city would have a more adequate market for the new power which it will bring in soon from the large Skagit development, on the other hand, the difficulties of street railway system will act as a deterrent to a further extension of municipal ownership, and the recent events in the city light department have not been reassuring to the voters.

CITY LIGHT ADMITTED SOUND

In the present controversy it is not alleged by either side that the city light department is unsuccessful or unsound. It has approximately 80 per cent of the residential customers of the city, though less than half of the power users. The sales and revenue of the department over a period of eight years is shown in the following table:

Year	Total power generated and purchased kilowatt hours	Increase per cent	Revenues	Increase per cent
1923	115,431,550	17	2,661,965.77	4
1924	151,064,250	31	2,901,797.29	9
1925	218,245,950	38	3,480,421.38	20
1926	232,848,275	06	3,859,042.17	10
1927	277,591,025	19	4,361,743.26	13
1928	307,909,700	11	4,872,686.39	12
1929	364,959,930	15	5,452,375.66	12
1930	384,812,680	5	5,530,914.65	1

The average rate for all current sold in 1930 was $.01784 per kilowatt hour, as compared with .01806 for the previous year. The average rate in 1921 was .03590, or about double the present average rate. The net earnings of the department in 1930 was $1,124,548, after all operating expenses, interest and depreciation charges were paid. The department redeemed $1,346,000 of bonds in 1930, and had $1,241,735 in cash and securities at the end of the year for future bond redemptions. The plant assets, with depreciation deducted, amounted to $48,514,534.69, against which there are $32,545,000 bonds outstanding.

The lighting department has one steam plant located in the city of Seattle, and two hydro developments outside of the city, the Cedar River plant and the Skagit River development. The Cedar River plant has suffered because of large seepage of water through the banks of the reservoir. The Skagit development dwarfs by comparison the Cedar River plant. The completed plans for this development, which will not be finished until after 1950, call for an expenditure of $81,200,000, with a capacity of 990,000 h.p. at a 40 per cent load factor, or about $83.00 per h.p. delivered at high tension bus in Seattle. City light has always paid its way, and reports by the City Light Committee of the Seattle Municipal League and by the state examiners indicate a sound financial policy. The department has had to pay the interest charges and retire the bonds falling due out of current revenues while constructing expensive additions to the Skagit development. The fact that this could be done from existing plants while new units are being brought in, indicate the soundness of the system. The department will probably be in a position to make further reductions in rates within the next few years, and as successive units of the Skagit development are completed the cost of power will become increasingly lower.

ORGANIZATION SET-UP ENCOURAGES POLITICS

The present organization set-up of the city light department is unsound in several particulars. The superintendent is appointed and subject to removal by the mayor, who is elected for only a two-year term. This tends to throw the department into politics. Although the recently deposed superintendent had been in office for twenty years, there is a danger always of a constant turnover with each new administration. New work, contracts, large purchases and important policies are determined by the board of public works, of which the superintendent of city light is only one of six members, and may be overruled by the other members. This makes it impossible to fix responsibility definitely for the conduct of the department. The budget of the department and many policies are decided by the council and the mayor. The responsibility for the conduct of the department is divided between the mayor, council, superintendent of department, and the board of public works. Heretofore the engineering department has had control of construction, further decentralizing responsibility. In the present situation no attention is being given to this unsound organization, but a movement for the city manager plan, twice voted down by narrow majorities in the past, will probably be launched shortly after the recall election is over.

THE ECONOMICS AND POLITICS OF CLEVELAND'S MUNICIPAL LIGHT PLANT

BY HOWELL WRIGHT, ESQ.

Director of Public Utilities in Cleveland's First City Manager Administration

Although the Cleveland Municipal Light Plant has been honestly managed, asserts Mr. Wright, it has not fulfilled the political promises made in its behalf, nor has it been an appreciable factor in controlling rates of the private companies. :: :: :: :: ::

CLEVELAND'S Municipal Light Plant was rehabilitated, enlarged and extended during the first city manager administration. This was done upon the initiative of City Manager William R. Hopkins; under his supervision; as the result of his leadership; with funds appropriated and authorized by vote of the people and the council at his request and through legislative authority granted by the council upon both his recommendation and that of the director of public utilities. Its finances also were put into good condition. The accounts were kept in accordance with the Ohio Public Utilities classification; its costs accurately determined and its reports and records honestly reflected the physical condition of the properties and the financial condition of the business. This is all a matter of record, available to all who desire to be enthusiastic or authentic about facts.

When the administration took office in 1924 it found the properties in a run-down and neglected condition. The average physical condition of the entire plant was 71 per cent as of new; there was insufficient reserve capacity in the principal items of equipment while a large part of the plant had passed one-half of its estimated useful life. Deplorable and indefensible conditions were also found as to records, accounts and financial statements.

Neither the city manager nor the director of public utilities in meeting these problems showed any disposition even to discuss the merits of municipal ownership and operation of this utility. This was considered settled. The city had a property; was engaged in the light and power business—and the only question was how to manage it in the best interests of the city. The official answer was to raise rates, spend more money, try to rehabilitate the property and prolong its useful life. This was done.

REHABILITATION AND EXPANSION

Rates were raised 30 per cent and about four million dollars was expended in four years for increased facilities. The following comparison shows what was done with the money and is also a fair statement of the six-year record of performance.

EDITOR'S NOTE.—In the June issue appeared an article by R. Husselman entitled, "The Political Sabotage of the Cleveland Municipal Light Plant." Mr. Husselman charged that the development of the municipal plant had been throttled by the city manager and the director of public utilities because of their antagonism to the principle of municipal ownership. In the above article Mr. Wright replies to the criticisms advanced by Mr. Husselman.

SIX-YEAR RECORD

	Jan. 1, 1924	Jan. 1, 1930	Increase
Generating capacity	35,000 K.W.	50,000 K.W.	43%
Boiler capacity	11,600 B.H.P.	17,200 B.H.P.	48%
Sub-stations	5	9	80%
Sub-station capacity	22,500 K.V.A.	40,400 K.V.A.	80%
Whiteway lamps	1,526	6,110	300%
Total street lamps	4,314	16,037	272%
Miles of 11,000-volt cable	60	102.4	71%
Miles of 2,300-volt cable	73	253	247%
Miles of single wire	750	1,230	64%
Consumers	35,394	44,822	27%
Sale of current, penalties included	$2,510,875.63	$3,690,053.33	47%
Net income (no allowance for taxes)	417,642.64	926,641.29	124%
Plant investment	8,536,031.41	15,014,483.46	76%
Surplus	Deficit 512,994.69	1,390,282.43	372%

CLEARING UP THE PAST

Several constructive steps were taken by the department for which it has been criticized. Both city manager and director of public utilities have been charged with attempting to wreck the plant because they insisted upon paying its debts, and terminating raids upon the general funds of the city and upon water works funds. The payment of debts seemed to us to be a sound business principle.

1. Final payments of $45,000 were made for land upon which the central station was built, to save interest charges.
2. Five hundred and sixty-three thousand two hundred and sixty-nine dollars was repaid to the general city fund for tax funds advanced during 1906 to 1909 (before the central generating system was built) to the then existing plants and system, and as set up in the city investment account in 1916. This represented principal and interest from which $90,000 was deducted for items owed to the plant by other departments.
3. Separate intake and discharge tunnels were built for the generating station thereby terminating water works tunnel expense for the light plant, and eliminating dangerous conditions in both plants. The ten-year free use of this tunnel probably never will be paid.

DETERMINATION OF FUTURE POLICY

Isolated operation and obsolescence of central station equipment are factors for serious concern in constructive efforts to work out a future policy for this municipal plant. Politics did not dictate our conclusions which are here outlined. They are based upon economic considerations which rarely find any place in governmental operation of utilities. The director of public utilities was, of course, unfriendly to the professional politics of public ownership and especially as expressed by those who seek to nationalize the light and power business.

1. A small isolated plant should not operate without reserve capacity if it is to afford full protection to its customers.
2. Obsolescence of our small generating units becomes more apparent by comparison with the trend of modern practice as shown in the accompanying table.[1]
3. Over use of our small units and accidents to our large units have endangered our service and

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[1] The best evidence as to isolation and obsolescence is the statement of Hon. Frederick W. Ballard, consulting engineer, and public utility consultant, *the builder and designer of the plant*. Under date of June 12, 1930, he wrote in part:

"The Municipal Electric Light Plant is now obsolete . . . and isolated. . . . The smaller isolated plants are being shut down. . . . The smaller inefficient stations are being either entirely abandoned or simply held in reserve as peak load or standby plants. The days of the Municipal Lighting Plant are numbered. . . ."

emphasized the necessity of protecting our present customers by reserve capacity or interconnection with the private company or both. This is the immediate problem.

4. The present problem is not one of further expanding the central station. Any such expansion beyond its now 50,000 K.W. capacity should be in a new building designed to suit the size of equipment then standard and laid out on the unit system.

5. The time for any such venture has not arrived. The people of Cleveland will not in our opinion approve such an expenditure of public funds. The present plant can continue to serve the purpose for which it was started. The building of such a new plant or unit of a new plant at this time would be more duplication of investment in Cleveland and, therefore, an economic waste.

6. Five plans for expansion were officially submitted in 1928, with the recommendation that before any plan for installation of new generating units (beyond 50,000 K.W. capacity) was adopted the council be requested to authorize negotiations with the private company with respect to emergency interconnection.

7. It was also our opinion that it would hardly seem sound business to install new or replacement production units in the municipal plant to provide base load *if* our requirements could be purchased elsewhere *at a fair price*. We asked this question—Why not negotiate and find out the possibilities for interconnection, either for emergency or base load purposes or both?

Council is still pondering over these economic facts and questions, and also these and similar recommendations from other sources. The expansion issue no doubt will be settled by popular vote in November.

THE FIFTEEN-YEAR EXPERIMENT

I. *The Political Promise.*—The Cleveland Municipal Plant was conceived in politics and fostered on the sophistical economic theory that "competition is the way to get three cent light, not regulation." The political slogan of the 1911 campaign which resulted in a favorable popular vote for $2,000,000 in light plant bonds was "Three-cent light in every home in Cleveland." It was a political "catch phrase." As a political objective it was successfully used in the business of getting votes for the bonds. The real objective—the true purpose of the plant—is found in the official records and does not jibe with the political promises.

II. *The Real Objective.*—Professor William E. Mosher says in his book on Electrical Utilities that, "The success of an electrical undertaking is determined in large part by the end sought." In the case of Cleveland, as to the real objective we again call as our witness the man who also operated the plant from its inception to January 1, 1916, Hon. Frederick W. Ballard, *commissioner of light and power*, who stated in an official report (April, 1915) that:

Obsolescence by Comparison

	Municipal plant	Modern practice
Steam pressure	250 lbs. per sq. in.	400 to 1,000 lbs. per sq. in.
Steam temperature Fahr.	535	750
Air preheaters	None	Yes
Super heaters	Convection type	Convection and radiant heat
Reheating steam	No	Yes
Fuel-burning equipment	Stokers	Powdered coal
Air coolers for generators	No	Yes
Size generator units	5,000 to 15,000 K.W.	35,000 to 50,000 K.W.
Station capacity	42,175 K.W. at 70% P.F.	400,000 K.W.
Pounds of coal per K.W.H. generated	1.87	1 to 1.50

> Our capacity . . . is practically one-fourth of that of the C. E. I. Co., and *we could not,* and *it is not our intention to take the entire lighting and power load of the City of Cleveland.* However, the capacity is sufficient *to demonstrate the commercial possibilities of* making current for electricity and power *at a maximum rate of not to exceed 3 cents per K. W. Hr. This should result in the C. E. I. Co., either reducing their rates to meet ours, or selling their plant to the City of Cleveland.*

Have these ends been accomplished? Have the political promises been fulfilled? What results have been obtained in the operation of this utility during the past fifteen years? What has happened in the much advertised "Three-cent electricity City"? And what is going to happen? Let the facts speak for themselves.

III. *"Three-cent Light" Only a Political Promise.*—Three-cent municipal light for every home has proved to be only a political promise unredeemed. The plant (1929) served only 44,822 (36,961 homes) customers or 16 per cent, while the private company served 200,692 customers or 84 per cent in the city; it has a generating capacity of 60,400 K.V.A. out of a total of 598,250 K.V.A. in the district, and it sold 155,512,362 K.W.Hr. or 11 per cent, while the private company sold 1,279,951,141 K.W.Hr. or 89 per cent. Large areas of the city have no municipal service, while the private company serves almost every nook and corner.

The municipal plant supplied three-cent-plus light to a small minority of homes in Cleveland. *This is a special privilege.* It has not and cannot serve the other homes—the great majority. *This is discrimination.* These homes which are not served are taxed to pay part of the cost of the electricity furnished to the minority, because the light plant pays no taxes.

The municipal plant is subsidized by the taxpayers. Every taxpayer's bill is larger because no taxes are paid and no return is received by the taxpayers on their entire investment in the plant.

In 1929 for each K.W.Hr. for which customers paid 2⅓ cents (.02373) the taxpayers paid one-fourth of a cent (.00284) for taxes and one-half of a cent (.00535) for a 6 per cent return on their investment in the plant. It is just a plain case of taxation of the many for the benefit of the selected few.

IV. *Financial Results of the Business.*—The municipal plant must pay interest on its bonds and provide for bond retirement and it is required (Section 77 of the Cleveland charter) to set up on its books an interest return on the investment. No such return, however, has ever been set up. Herein lies the basis of the failure of this publicly-owned and operated utility, under all administrations, to substantiate its claim of "successful results" in competition with or in contrast with private ownership in the same field. Most any municipal or private plant can make huge profits under these conditions and the Cleveland plant under these conditions is no exception.

During the six years of City Manager Hopkins' rule the Cleveland plant made a good showing. It had the very best years in its history. Theoretically it made money. Its profits were "political profits," however, because it paid no taxes and no return to the taxpayers on their investment. A privately-owned plant, however, cannot escape these requirements and continue to exist. And there is no other way of comparing the results of the two kinds of ownership and management without these items.

When so compared as required by the city charter (with proper allowances for taxes, interest on the investment, bond retirement, obsolescence and depreciation) the reported surplus earnings of the plant for fifteen years do not exist. There are none. With allowances for all charges except bond redemption the books show a loss of $1,126,071; with all allowances as required by both city charter and Ohio law, the results are huge losses year after year to the citizens of Cleveland—*a total fifteen-year loss of $4,175,362.*

V. *Pooling of Meters.*—Not only does the municipal plant discriminate in that it serves a small area of the city and a small minority of residential customers, but also, until recently, as to large power consumers. Its large power business has been built up from the plant's inception by the illegal process of "meter pooling." The sums of money involved amount to hundreds of thousands of dollars. The state examiner recently found nineteen customers discriminated against in the amount of $206,000 and also demanded that suits be filed to recover $207,000 due the plant by customer beneficiaries of this special privilege. Without such illegal methods the plant would not have been able to secure this large power business. No private utility would be permitted to engage in such discriminatory practice.

VI. *Three-Cent Rate a Delusion.*—Three-cent light is dead and was buried in Cleveland long ago—in 1921. Municipal resident users pay as high as 8⅓ cents per K.W.Hr. through the minimum monthly charge. The average revenue per K.W.Hr. sold to residences in 1921 was 3.06 cents and in 1929 it was 3.63 cents. It is three-cent-plus light and has been that since 1921. Furthermore, the average revenue per K.W.Hr. sold for street lighting is 3.055 cents.

The average revenue per K.W.Hr. for all 1929 municipal sales was 2.373 cents, which was 3.55 mills per K.W.Hr. or 17.6 per cent more than the private company average rate which was 2.018 cents.

VII. *Municipal Street Lighting.*—The municipal plant is now the dominant factor in street lighting. This is due to the policy of the city manager administration (1924–1930) namely, to make the plant serve all the citizens as far as possible through street lighting. This is sound policy, inasmuch as the plant serves the taxpayers as a whole in no other way. This street lighting load is also an excellent revenue producer compared with other classes of service. On the whole it is an off-peak load and a profitable community service entirely consistent with the purposes of the plant.

The number of lights was increased from 4,314 in 1924 to 16,037 in 1930, while the sales of current increased from $254,478.43 or 10 per cent of the total to $693,016.87 or 18¾ per cent in the same period. White way lighting is a municipal monopoly.

It is entirely conceivable that the most important future service of the plant may be street lighting and furnishing light and power to public buildings and to water works and sewage disposal pumping stations.

VIII. *Political Jobs and Jobholders.*—The American Street Lighting Company maintains the municipal street lighting system by contract and saves $40,000 annually over and above what it costs the plant to do the same work. Herein lies one of the greatest weaknesses of public ownership—government in business—political jobs and jobholders.

It is a matter of record that this company took over the municipal street lighting maintenance employees, weeded out a few drones, paid the same scale of wages, and in some instances higher wages, did a better job and saved money. The contract has just been renewed.

It is an established fact that in many cities including Cleveland, public work done by private contractors is often more satisfactory and economical than when done by public employees. Political jobs, clockwatchers and "more pay—less work" lobbyists are the curse of public ownership.

IX. *Municipal Ownership and Its Return to Cleveland.*—Low rates, it is said, is the real return on the municipal light plant investment. This claim which is largely based upon the political reasoning of "after a thing therefore because of it" will not stand the economic test.

The plant has been no appreciable factor in the rate reductions by the private company. It serves only a special privileged minority of light and power users, and since 1921 it hasn't served a single residence with three-cent light. The only way it has ever served the taxpayers as a whole is through street lighting. Its volume of business except street lighting is so small relatively as to place the plant in the rôle of a theoretical competitor.

Rate reductions by the private company are the natural result of the installation of modern equipment, low generating costs, new transmission and distribution methods, interconnection, quantity production and enormous load increases. An outstanding reason for rate reductions by the private company is the fact that in 1919 it required almost three pounds of coal to produce a kilowatt hour of electricity, while in 1929 it required less than one and one-half pounds of coal.

Since 1920 there have been half a dozen voluntary private company rate reductions. In each instance the municipal plant was forced to "follow the leader" instead of "showing the way." Naturally it lost power customers through such reductions. It has managed to hold its largest power customers through discriminatory rates.

The rate regulation influence of the municipal plant is nil now and so promises for the future. The private company cannot increase its present rates without consent of the public utilities commission. Before any increase is allowed the city has the right to be heard. The 5-cent maximum city rate ordinance does not expire until 1934. At any time within a year before its expiration the city council can fix the rates to be charged by the private company. Such rates will be effective unless upon appeal by the company the commission holds them confiscatory and grants an increase. The company has to show that the rates fixed by the city are unreasonable. *Under these conditions why should the city continue to maintain or attempt to further enlarge an isolated and obsolete plant for imaginary competitive rate regulation purposes?*

RECENT BOOKS REVIEWED

The Autobiography of Lincoln Steffens. 2 vols. New York: Harcourt, Brace & Co., 1931. 884 pp. $7.50.

This is the autobiography of a man who has looked at life from many angles. No living American, in fact, has accumulated a greater wealth of personal experience in places high and low than this book discloses as its author's endowment. By his own admission Lincoln Steffens was born a "remarkable child," and the world will testify that for sixty-five years he has lived up to the cradle prognostications.

It is now nearly three decades since *The Shame of the Cities* brought Steffens into national prominence. He was acclaimed as the primate among muckrakers, a title which he has not resented either then or now. During the interval since 1904 his activities have been uncommonly diversified—as an editor of magazines, an investigator of civic wrongs, a free-lance reporter in wars and revolution, a critic of "the peace that was no peace," and always a prophet of better things to come. One might call him, in no disparaging sense, a congenital crusader. And as for the Steffens intellect, nobody has ever doubted its alertness or questioned its sincerity. What people have questioned is the soundness of his worldly judgment and his sense of the realities. The marvel is, at any rate, that a man could stand the shattering of so many illusions without losing some of his avidity for them.

The first disillusionment came to Steffens in college days. He went to no fewer than six universities in three different countries without finding one that suited him. Then he turned impatiently to the outer world and undertook to fathom life in the stretch between Wall Street and Harlem. Next he passed to a survey of corruption in other cities and in due course became a sort of peripatetic municipal research bureau.

But his exposures of urban crookedness in the old days proved to be singularly ineffective so far as any permanent clean-up was concerned. The guerilla warfare against the saracens of graft, as Steffens waged it, resulted in relatively little genuine reform. There was something lacking in these portrayals of sordidness, vivid though they were, and they brought no action commensurate with the furore which they made. Perhaps it was because Steffens used too much red in his pictures, too much economic liberalism for the reform organizations of that day. He worked hard during a whole year in Boston, for example; but the committee never published his findings. It was not because they wanted to suppress anything, but merely that there seemed to be no market for a lengthy disquisition on New England hypocrisy—no market for it in Boston, at any rate. Incidentally there are some inaccuracies in the Steffens retrospect of this episode. Among other slips he gets the hero's name misspelled and the city wards mixed up.

Now the amazing thing is that Mr. Steffens could have consorted so long and so intimately with the seamy side of American political life and yet remain so rugged an idealist, optimist, and believer in his fellow men. Every lost illusion found itself promptly replaced by a new one. America has never had a more undaunted Don Quixote of the quill. Doubtless he will keep tilting to the end, and let it be hoped so, for the recital of his numerous forays is fascinating. There is not a dull page in the whole nine hundred, because Steffens writes with imagination, liveliness, and a keen sense of humor. No more sprightly narrative of any man's career has been put into print for a long time. And nowhere can one get a more pungent whiff of the atmosphere which we of the passing generation breathed so contentedly in the old world that used to be—before the war. Mr. Steffens deserves well of us for having written this book, with its manifold glimpses of men and things that have now passed on. It is a straight story, admirably told, and one that deserves to be widely read.

William B. Munro.

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County Government in California. Final Report of the California Commission on County Home Rule. State Printing Office, Sacramento, 1931. 236 pp.

A third of the text of this report is devoted to the history of local government in California.

However well it may have been done this historical material is of little use to one who is interested in constructive reform.

The report might well have begun with Chapter III, which presents an excellent analysis of the constitutional provisions concerning counties. The California constitution contains a great deal about counties, and these provisions need to be analyzed and explained at considerable length. This has been done very well indeed; and many cases have been cited to show how the courts have construed the constitutional provisions. There is also an excellent summary of statutory provisions concerning counties.

The multitude of charts, intended to show comparative financial statistics of counties and municipalities for the years 1920, 1924, and 1929, and the twenty solid pages devoted to tables showing salaries of county officers in the fifty-eight counties in the years 1901, 1919, 1925 and 1930 are not particularly useful.

Chapter VII, "Functions of the County," is devoted to a narrative description of existing county government, with a few constructive suggestions for reform thrown in. Fairlie and Kneier, *County Government and Administration*, is very freely drawn upon. The description is but casual and the suggestions for reform are not given with much clearness or confidence. ". . . it is suggested that the chairman of the board of supervisors be made the administrative and executive agent of the board to exercise its powers under its direction and control. . . . This would be constitutional it is believed. In many counties, perhaps in most, the chairman or his secretary would become a full time executive or administrator, perhaps taking over the duties of certain existing employees of the county . . ." (p. 142). There are many pages devoted to commenting lightly upon all the various suggestions for reform that may be picked up in the literature of local government. But few of them are definitely and clearly shown to be applicable to California. Thus: "Any county or city charter should make provision for a distinct separation between the legislative and administrative functions. Its provisions for the legislative body should maintain this branch of the government as the strongest part of the organization" (p. 180). "The financial provisions of the charter should provide in some detail for an adequate budget system, . . ." but the reader is left to guess at these details. Such recommendations are mere platitudes.

At another point (p. 186) it is suggested that: "This board (of supervisors) shall select its own clerk and counsel and appoint policy advising commissions on planning, roads, highways, and forestry, and if desired, a civil service commission." The report expresses the opinion that ". . . the four principal county officers performing state functions ought to be elective although there are many arguments for placing them under the appointment of some central state department or on the board of supervisors." The latter statement, exhibiting as it does, complete lack of confidence on such important matters as whether or not the officers referred to should be elected or appointed, and if appointed, by whom—state officials or the board of supervisors, is characteristic of the entire report. To be indifferent on matters of that sort, and vaguely to approve a budget system of some kind, to advocate large appointing power coupled with a merit system "if desired," to suggest that the constitution authorize that compensation of county officers be fixed by the board of supervisors or ". . . established by vote of the electorate of each county . . ." (p. 115), is to contribute but little to the solution of problems of local government.

The commission recommends that the legislature draft three forms of optional county charter. They are outlined in very broad and general terms. And also the commission recommends that: "There should be a further detailed study made of the possibility of city-county consolidation and of the creation of larger administrative areas by the consolidation of the areas of counties or the particular functions of several counties" (p. 9). This is an excellent suggestion.

KIRK H. PORTER.

* * *

REPORT OF THE WATERBURY CHARTER COMMISSION submitted to the Governor and the General Assembly of the State of Connecticut, December 31, 1930. 991 pp.

The report of the Waterbury Charter Commission is a careful description of careless city government. The commission, authorized by the legislature of Connecticut to investigate charter violations and the financial condition of Waterbury, was appointed by the governor in June, 1929, and published its report dated December 31, 1931. The report was prepared by Griffenhagen and Associates, and is a comprehensive document of 991 pages. Findings and recommendations are summarized in Part One.

Finance is the first subject of the report. It describes Waterbury's financial structure—its curious assortment of funds, and Waterbury's financial condition—its debt, deficit, and delinquent taxes. Financial operations of 1929 are reviewed in detail and do much to explain the character of the city's government. The year 1929 produced a cash deficit of more than a million dollars, an excess of expenditures incurred over revenues accrued of more than fifty thousand dollars, tax collections of less than eighty-three per cent, interest payments totaling fourteen per cent of expenditures, and administration at excessive costs. A discussion of financial administration follows which describes the method of making appropriations, the consistent disregard of charter provisions regarding budget, and explains the essentials of sound budgeting. A chapter on collection of taxes summarizes the various sorts of malfeasance, misfeasance, and nonfeasance, including the shortage of more than forty thousand dollars, revealed by the audit of the collector's transactions and records. The final touch to the subject of finance is the record of Waterbury's account with the five banks in which it deposited funds. Four out of the five shorted the city on interest earned by amounts ranging from a few dollars to nearly twenty-nine thousand

Organization is the second subject of the report, which describes the existing decentralized responsibility and the fantastically organized administrative departments. The Charter Commission recommends organization of administration in eight departments under a city manager responsible to a council of five.

Operating agencies of administration are the third subject. One by one the report takes up the operating units, analyzes their problems, and evaluates their work on the basis of policies, methods, and organization. Thus, the chapter on administration of the water system is an analysis of problems of supply, distribution, and rates.

Compilation of the existing charter provisions from the numerous and sometimes conflicting statutory sources is the fourth subject of the report. The "compiled charter" covers 110 pages.

Proposed legislation is the final subject of the report, and includes a manager plan charter and an administrative code recommended to the legislature for Waterbury. The administrative code, after five years, would be subject to amendment by the city council, but only by a four-fifths vote.

George A Graham.

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Principles of City Planning. By Karl B. Lohmann. New York: McGraw-Hill Book Company, 1931. Illustrated. 395 pp. $4.00.

To the student of government a comprehensive survey of city planning is doubly valuable. It enables him to understand the work of city planning commissions and it gives him in a nutshell an account of each of the physical activities of the city viewed as a whole, with due regard to future needs, and properly correlated one to another. The present volume is the first general textbook on city planning in the United States to be written in a number of years, during which time much original work has carried the state of the art of city building and planning for its future needs forward in many directions. For the most recent, and in many cases as yet unproven advances in theory, the author quotes the opinions of leaders in their respective fields. The necessary brief chapters devoted to each phase are accompanied by extended reading lists, which include numerous references to very recent articles. The most casual reader can scarcely help realizing how new and vigorous is the growth of city planning in this country. In fact in four or five chapters practically all the material presented dates from the last fifteen years, and in most of the others the major features are equally recent. That this rapid change and development will continue seems certain, but whether at an accelerated or decreasing pace is by no means ascertained.

Arthur C. Comey.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Health and Hospital Survey, Kansas City, Missouri.—Chamber of Commerce, American Public Health Association and the Kansas City Public Service Institute, 1931. 329 pp. with charts and tables. The high death rate of Kansas City was a cause of concern to several of the active committees of the Chamber of Commerce and in 1930 a general survey of the health and hospital situation seemed appropriate. Dr. W. F. Walker of the American Public Health Association Committee on Administrative Practice was asked to coöperate with the Chamber of Commerce and the Public Service Institute in this survey. Their report is in three divisions: the public health service of the voluntary and tax-supported agencies, community aspects of hospital facilities, and the administration of the city hospital group. The material was secured and discussed not only by those primarily engaged in the survey but also by sub-committees of citizens interested in special phases of the subject. Conclusions and recommendations include the following: the health work of Kansas City is only 70 per cent adequate, largely because of the lack of stability and leadership in the official health department. The large service rendered by voluntary groups and the metropolitan nature of the work suggest advisory councils to assist a nonpartisan city authority with an increased budget and enlarged functions. Emphasis should be placed on tuberculosis and school work. Improved administration within the existing city hospitals is also recommended. This thorough survey of Kansas City should not only lead to an improvement in the health conditions there, but should be of assistance to other cities. (Apply to the Kansas City Public Service Institute, Kansas City, Missouri.)

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The Herman Kiefer Hospital of Detroit.—Detroit Bureau of Governmental Research, 1931. 15 pp. In the spring of 1930, one of the tabloid newspapers made severe charges against the operation of the city's hospital for communicable diseases and the administration of the health department. The health commissioner, Dr. Vaughan, requested the Bureau to investigate the accuracy of the statements. This was done with the result that the specific charges were considered without merit and the hospital an outstanding service to the city of Detroit and its vicinity. In the course of the investigation, the Bureau discovered, however, a number of places at which the service of the hospital might be further improved and almost half of the published material deals with constructive suggestions especially as to administrative organization. (Apply to the Detroit Bureau of Governmental Research, Detroit, Michigan.)

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Report on Prosecution.—National Commission on Law Observance and Enforcement, 1931. 337 pp. This fourth report of the Wickersham Commission deals with the public prosecutor in the organization of his work, as a criminal investigator, his discretion and checks upon him; the public defender; the grand jury. The bulk of the volume is devoted to an analysis by Alfred Bettman of the important surveys of criminal justice. The commission recommends from their study of this that politics should be eliminated in the appointment of federal district attorneys, that state prosecutors be better selected with improved conditions of tenure and salary, that a director of public prosecution in each state have centralized control and responsibility, that provision be made for the legal interrogation of accused persons under suitable safeguards and that the legal profession in each state organize for competency, character, and discipline among those engaged in criminal court work. A bibliography on prosecution by Julian Leavitt is also included. (Apply to the Superintendent of Documents, Washington, D. C. Price, 50 cents.)

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Municipal Golf Courses in the United States.—United States Golf Association, 1931. 32 pp. This is a list of municipally owned golf courses, with brief statistics on important points such as date of opening, operating agency, number of holes and yards, fee charged, type of green, cost of operating and the name of the professional. (Apply to Public Links Section, United States Golf Association, 110 East 42nd Street, New York City.)

Directory of Probation Officers in the United States and Canada 1931.—National Probation Association, 1931. 77 pp. This is, as the title indicates, a directory of 4,035 paid probation officers. Representatives of private organizations and volunteers are omitted. Organization and uniformity of standards among probation officials are lacking and this directory is of considerable aid in the exchange of information and ideas, as well as in the supervision of persons who move from one place to another. (Apply to the National Probation Association, 450 Seventh Avenue, New York City. Price, 50 cents.)

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Manual of Street Sanitation Records for Cities 10,000 to 50,000 Population as installed in Brunswick, Georgia.—Committee on Uniform Street Sanitation Records, 1931. 55 pp. *The Measurement and Control of Municipal Sanitation*, published last September, outlined proposals for measuring work performed, setting up unit cost standards for each operation, preparing work programs and recording the success of these plans. Before the complete manual was published the committee wished to experiment further with its proposals. With the coöperation of the officials of Brunswick, Georgia (population 14,022), the system was installed there to illustrate the application of the standards suitable to a city between 10,000 and 50,000. Cities of other sizes also will serve as experimental fields. The work units recommended the program, cost standards, work and equipment reports, complaint reports, and comparisons between work planned and accomplished, the forms for which are all included, may be adapted to any city within this population group. (Apply to Committee on Uniform Street Sanitation Records, 923 East 60th Street, Chicago, Illinois.)

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Old Age Security.—Report of the New York State Commission to the Legislature, Albany, New York. Legislative Document No. 67. 1930. 692 pp. The commission, of which Senator Mastick was chairman, made a thorough study of old age security, with the assistance of a research staff directed by Dr. Luther Gulick. This book sets forth and explains some of the more important facts bearing on the proposed legislation, which is based on the following recommendations: that the state administer and pay half the cost of assistance relief and care of needy persons over 70 years of age, not inmates of institutions, who are citizens and have been or ten preceding years, residents of the state, and for whose support no financially able person is legally responsible; that the responsibility for the administration of laws for the assistance, relief and care of needy persons, seventy years of age and over shall be vested in the public welfare officials of counties or cities, subject to supervision and review by the State Department of Social Welfare; that institutional care of needy persons be improved and modernized to ameliorate conditions. (Apply to Hon. Seabury C. Mastick, chairman, New York Commission on Old Age Security, Albany, New York.)

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Proceedings of the Fourth Institute of Municipal Affairs at Montpelier, Vermont.—Norwich University, Bureau of Municipal Affairs, 1931. 60 pp. The proceedings of this fourth Institute include papers on community planning and the place of the railroad in it, reducing fire loss, highway safety, the American College and municipal affairs, a model municipal debt statute, and justice in real estate assessment. Details of the discussion of the sessions of the New England City Managers' Association and the meeting of mayors of Vermont cities are not included. (Apply to The Bureau of Municipal Affairs, Norwich University, Northfield, Vermont.)

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Report of the Mayor's Salary Schedule Committee, Detroit.—1931. 20 pp. In response to a suggestion that teachers' salary increases for the current year be deferred, Mayor Frank Murphy appointed a Committee of Twelve to consider the schedule of the Board of Education. The report contains thorough statistics on the Detroit schedule and uses for comparison, educational salary material from twenty-four other large cities. The report, as accepted by the majority, expresses the hope that teaching salaries will not be changed because of the temporary financial stress of the city. (Apply to Detroit Teachers' Association, Detroit, Michigan.)

◆

Report of the Pennsylvania Housing and Town Planning Association.—1931. 25 pp. This report for 1929 and 1930 contains brief material on the major interests of this association, in relation to two years' progress as well as significant statistical information, on building, zoning, planning and sanitation. (Apply to Room 803, Allman Building, Walnut Street, Philadelphia.)

PUBLIC UTILITIES

EDITED BY JOHN BAUER

Director, American Public Utilities Bureau

DISTRIBUTION COSTS, PUBLIC OPERATION AND REPRODUCTION COSTS—A CONCRETE CASE

We have given considerable attention in this Department to distribution costs, public ownership and valuation, and during recent months have come across some striking facts. We have been engaged in a gas rate case in one of the leading Southern cities, and shall use figures from the official record in the particular case, without mentioning the name of the city or the company, because we believe the facts are typical of what may be found under present conditions almost anywhere.

ARE DISTRIBUTION COSTS EXCESSIVE?

We have pointed out repeatedly, especially in connection with electric rates, that the difficulties encountered in obtaining reasonable rates for the ordinary domestic users, appear in the field of distribution, and not production. The same applies to gas. The basis trouble is two-fold: (1) the local company, in most instances, has a monopoly in distribution, and (2) it is controlled, *in absentia*, by holding company interests and affiliates, at long distance. The almost inevitable result is lack of rigid economy in the ordinary work of distribution, and especially the piling up of overheads, particularly under the title of "general and miscellaneous."

Take the operating expenses which are officially in the record of the particular case under review, and which have been subjected to rigorous cross-examination and defense. They are as follows, for the year 1930, grouped according to official classification:

Distribution	$166,000
Commercial	147,000
New business	94,000
General and miscellaneous	193,000
Total	$600,000

The company for most of the year distributed natural gas, and, therefore, all the operating expenses, outside of the purchase of gas at the city gate, belonged in the general field of distribution. The limited sub-group under that title includes technically the maintenance and care of mains, services, meters and customers' facilities, but the other groups listed above also come under the general function of distributing gas, as distinguished from production or purchase.

For the four groups of expenses as above outlined, there were available annual comparisons for the years 1913 to 1930, inclusive. In 1913 the company distributed manufactured gas, while for most of 1930 it delivered natural gas. Notwithstanding the change in kind of gas, with an almost doubling of heat content per thousand cubic feet, the expenses in 1930 for each of the first three groups (distribution, commercial, and new business) were practically the same as per thousand in 1913. And the same is true of taxes. But in the case of general and miscellaneous, the expenses in 1930 were about four times the amount per thousand in 1913.

Here, then, is the striking fact: The creeping up of general and miscellaneous expenses. The piling up of overhead took place during the period of years when the monopoly in local distribution was perfected, and when control was transferred from local to absentee owners. The local company forms a unit in a pyramided holding company system, within which the focus of actual control is lost so far as public knowledge is concerned.

It may be assumed that the more technical processes of distribution, covered by the first three groups of expenses, have been kept quite reasonably within the limits of economy and efficiency. This would apply to maintenance and care of mains, services and other distribution properties, also to the handling of accounts and the building up of sales. During the period from 1913 to 1930, there was practically a doubling in the quantity of gas sold, but there had also been increases in wages, salaries and prices of materials. So the record of the same expense per thousand in 1930 as in 1913, looks quite creditable.

But for general and miscellaneous expenses the situation is altogether different. If the cost per thousand in 1930 for the other operations is no greater than for 1913, why should it be four times as great for the overheads? The answer appears in the nature of the expenses. They include salaries of general officers and legal staff associated more intimately with the absentee control rather than with the local handling of the simple operations connected with gas distribution. And, they have embedded a further item, which in one form or another is frequently responsible for high general and miscellaneous, a management fee paid to the holding company or affiliated interests.

In the particular instance, the management fee consists of 3 per cent of gross gas revenues, and is fixed without regard to the kind of services rendered or the need of the services. For the year 1930 the fee amounted to about $58,000, and was a sizable sum added to the otherwise more than adequate administrative salaries and legal expenses. Here is rank extravagance, due to monopoly and absentee ownership. There is no competition and no incentive to keep down the charges for management, which really serve as a roundabout method of tapping off profits under the guise of operating expenses.

HOW COMPARED WITH PUBLIC OWNERSHIP?

While the gas business has been in the hands of a private company, the water service has been municipally owned and operated for many years. A comparison, therefore, between the gas and water operations offers an interesting if not entirely conclusive demonstration of a case of superior municipal efficiency. It furnishes a test as to whether the distribution costs of the gas company are excessive, and whether private operation has actually the economic advantages over municipal ownership as claimed by the utilities and as heralded abroad by high authorities of the land.

The two distribution systems are virtually co-extensive as to territory. Both cover the entire city; each has about 600 miles of mains, and each about 50,000 customers, plus 5,000 fire hydrants and 3,000 sewer flush tank supplies of the water department. Taking the two systems together, there is no apparent reason why the total gas distribution should be more expensive than water distribution. It would rather appear that the water system has special elements of expense not encountered by the gas company—for example, care and operation of the fire hydrants, the sewer flush tanks, and upward of 7,000 main valves required to meet the special conditions of variation in pressure placed upon the water mains.

As to total distribution expenses, including general and miscellaneous, but excluding production, the amount was $600,000 for the gas company, as against $257,000 for the city water department. The total cost of gas distribution thus exceeded the water costs by 133 per cent. The difference is so great that it virtually demonstrates the extravagance of gas distribution and the superior economy of city water operation.

The common claim, that a municipally operated utility fails to include in its accounts all the elements of cost incurred by a company, does not apply in this instance, and probably does not apply in most cases. It is usually unsupported, and gains validity because of lack of specific contradiction. In this particular case the water department operates on an independent budget, and its accounts include all expenses according to detailed budget items. The only item with respect to which there is disparity, is the maintenance and care of the general offices, which are supplied by the city without charge to the water department. Otherwise, the water department appears as self-sustaining as the gas company.

The striking difference in costs appears particularly in general and miscellaneous. So far as maintenance and care of distribution facilities are concerned, there is no great difference,—$166,000 for the gas company, and $135,000 for the water department. But the general and miscellaneous for the gas company amounted to $193,000, compared with an aggregate of only $122,000 for both administrative and commercial in the water department. For these two groups of expenses together, the total for the gas company was $340,000, and it had still the further item of $94,000 for new business!

This comparison shows forcefully that the city water department is doing a much more economical job for the public than the gas company. The city economy appears particularly in salaries for management and in allied overheads. The private company simply carries too much overhead for the simple administrative requirements involved in the distribution and delivery of gas.

Under these circumstances, the city should have the right to take over the gas system, and there is every reason to believe that it would do a more economical job than is being done by the company under present conditions. This does not mean that the company might not be able to operate as economically as the city, if it were pushed to do so. But the absentee control is naturally more interested in profits to be tapped off, rather than in rock-bottom economy for the public. And the best check to this abuse would be the untrammelled right to establish municipal ownership and operation.

THE NEW FAIR VALUE

The special case has general public interest also with regard to valuation. We have emphasized in this department the need of a fixed rate base for effective regulation. We have urged, moreover, that under present conditions as low a rate base could be legally established in most instances as would be practicable of realization. This view is strongly supported by our case, which brings out also certain fallacies encountered when efforts are made to adjust past valuations to the recent downward trends in prices and construction costs.

The particular gas property has been subjected to judicial surveys, and was the object of a famous Supreme Court decision nearly ten years ago, in which prudent investment received primary consideration. Later, in 1924, the same property was revalued by a federal master, and was lifted materially, because of the reproduction cost factor. In the recent case, a new valuation was presented, consisting of the 1924 figures as determined by the master, plus net additions and betterments down to date, with the base figures reduced about 10 per cent to give effect to the downward trends in recent construction costs.

The figures as thus presented to the commission were not based upon a resurvey of unit costs that would be incurred under present-day conditions of reconstructing the properties. Our contention was that present reproduction cost must be predicated not only upon present cost of labor and materials, but especially upon the most economical methods of construction now available for large-scale reconstruction, instead of piecemeal as actually constructed under conditions of operation. If these factors were properly taken into account, present-day reproduction cost of the whole distribution system would probably be no greater than the actual cost, although about half of the properties were installed under pre-war conditions.

While we made no detailed valuation of the gas properties, and did not establish present-day unit prices under the principles just outlined, our analysis of the figures based on the price trends demonstrates the unreliability of this method, and shows that actually new unit prices should be established in fairness to the public under present-day conditions. In the case of meters, the average cost per meter, without construction overheads, amounted to $18 per meter installed. But cross-examination showed that the present purchase price of the ordinary meter in use is only slightly over $8, so that there would be left nearly $10 for the work of installation. This, manifestly, is a ridiculous result, and shows the unreliability of the "trending" method, starting with the high reproduction cost as of 1924 and bringing that amount down to date with additions and betterments and applying ordinary construction price trends.

A like but somewhat less conclusive comparison appears in the valuation of gas mains. The average reproduction cost was presented at about $1.60 per foot of mains. Most of the mains are of 4″ size or less. On the basis of 6″ mains, it appears that the present price of the pipe itself is about 50 cents per foot; so that the average as presented to the commission would allow $1.10 for labor and the miscellaneous materials used in putting the mains in place. This, we submit, is not a credible figure, and again shows the impropriety of starting with a high reproduction cost figure of a past period and bringing the amount down to date on the basis of ordinary price trending.

We submit that under present-day conditions, taking into account the power trenching machines now available, the average cost of mains in place, under conditions of large-scale purchase and construction, would not exceed $1.00 per foot. This would approximate the pre-war costs, and would eliminate the high valuations that were imposed on the properties some years ago, under the then existing reproduction cost basis. We are now preparing a valuation for the city on the basis of present conditions.

THE FALLACY OF PRICE TRENDING

The fallacy of the price-trending process as applied not only to the particular case, but generally, is that it does not provide for large-scale purchases and installation, and does not take into account the reduction in amount of labor needed with the use of modern machinery and processes of construction. It is based principally upon small scale jobs of ordinary expansion programs, where the economies attainable on large jobs cannot be applied. All the ineconomies of piecemeal installation, of making additions and improvements while the property is being operated, are thus continued in the trend ratios and in the present reproduction cost thus presented.

The price trends commonly used are not based on comparisons of large-scale construction jobs, which would automatically take into account improved methods of construction, but on relatively small jobs on which such economies are not available. In the laying down of mains, for example, modern trenching methods could hardly be used for short stretches, but they would unquestionably be employed for the construction of an entire system. The proper ratio, therefore, to represent reproduction cost under present conditions, should not be the percentage of decline in costs for small jobs, nor even the decrease as between large jobs, but between past costs representing piecemeal installations while the properties were being operated, and present costs based upon large scale construction, with all its attainable economies. But such proper trends are difficult to compute; hence the better course is the establishment of new unit prices, without the use of cost trends.

To illustrate with respect to gas mains: while over a period of years the reduction in the wage rate may be only 10 per cent, the shift from hand to machine labor greatly reduces the quantity of labor required to lay the mains. It is principally this economy in labor that is ignored in the usual methods of trending applied to past costs or valuations to bring them down to date for present rate-making.

If present valuations are made on the reproduction cost basis, making allowance for large scale construction and the use of the most economical processes available, in our opinion the public now has little to lose in the general applicaton of the reproduction cost method. If during the next three to five years, such rigorous reproduction costs were to be applied for the establishment of a fixed rate base, the public would obtain results which would slash off practically all over-valuations of the past. In most instances as low a figure could thus be established for the public as could practically be sustained in the face of the prevailing financial structures of the companies. It would, in any case, be impracticable to follow rigidly a valuation formula which would prevent many companies from meeting their fixed charges due to existing financial structures. Here is a practical limitation upon the future application of the reproduction cost theory if prices continue downward. We feel convinced, therefore, that the time is particularly appropriate for the establishment of a fixed rate-base.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY RUSSELL FORBES

Secretary

Recent Reports of Research Agencies.—The following reports have been received at the central library of the Association since May 1, 1931:

Atlantic City Survey Commission:
  Report on Survey of Atlantic County.
Boston Finance Commission:
  Reports and Communications, vol. XXVI.
Taxpayers' Research League of Delaware:
  Public Welfare Administration in Delaware.
Detroit Bureau of Governmental Research:
  The Herman Kiefer Hospital of Detroit.
  The Condemnation Procedure of 24 Cities (reissued).
Hawaii Bureau of Governmental Research:
  Data on Financing of Public Improvements and Suggestions for a Ten-Year Improvement Program.
Kansas City Public Service Institute:
  Health and Hospital Survey of Kansas City, Mo.
New York State Conference of Mayors and other Municipal Officials:
  Lectures on Fire Fighting.

*

Municipal Research in Chattanooga—1911 Model.—While browsing around in the code of ordinances of Chattanooga, John F. Willmott, director of the Bureau of Municipal Research of the Chamber of Commerce in that city, recently found a legal antique, which seems worthy of greater notice.

In 1911, the city commission of Chattanooga passed an ordinance creating a bureau of municipal research to be composed of seven members serving without pay. The members were to be appointed by the board of commissioners and the following five organizations were each asked to nominate one member: The Pastors' Association, the Central Labor Union, the Chamber of Commerce, the Manufacturers' Association, and the Women's Christian Temperance Union.

The bureau was given broad powers and was authorized to "make full investigation of existing conditions, and, from time to time, report to the board of commissioners the result of such investigations together with such recommendations as, in its judgment, will promote the health and moral and social welfare of the city, particularly with regard to law enforcement, the prevention of vice, the improvement of parks and playgrounds and public schools, the cost of living, and the advancement of social service."

To enable the bureau to perform all these sundry duties, the city commission appropriated the sum of $600 "or so much thereof as may be necessary!" Even so this appropriation proved excessive, for Willmott has found that only $12 was spent in 1913 and only $41.68 in 1914.

Little wonder then that Willmott found himself plowing virgin soil when he helped to organize the Research Bureau in Chattanooga two years ago.

*

Hawaii Bureau of Governmental Research.—In accordance with a request of the senate of Hawaii in 1929, the Hawaii Bureau of Governmental Research undertook an investigation of the bonded indebtedness of the Territory and its political subdivisions, its present financial position and recommendations for the financing of future capital expenditures. The Bureau also studied permanent improvements desired and recommends projects necessary for the next ten years. This report, complete with tables, was recently submitted to the legislature.

*

Kansas City Public Service Institute.—The Kansas City Public Service Institute has moved to new and larger quarters at 114 West Tenth Street. One of the purposes in making the change was to provide better library facilities so that more use can be made by the general public of the material on file.

On May 26 the voters of Kansas City approved bond issues totaling approximately $40,000,000 for city and county purposes. These are to be spent over a period of ten years and are the result of a study by a ten-year plan committee. The plan is not a complete financial plan in all respects, but at least it covers a schedule of bond expenditures for a ten-year period. This is discussed more fully elsewhere in this issue of the REVIEW. The Institute helped in the preparation of the program but took no active part in the campaign itself beyond furnishing information.

The Institute has begun a study of condemnation and special assessments in Kansas City for the Property Owners' Division of the Real Estate Board. The study is directed toward a possible revision of the entire condemnation and special assessment procedure, with a view to eliminating, if possible, several of the recognized outstanding defects of the present system.

*

Citizens' Bureau of Milwaukee.—The Condemnation and Benefit Assessment bill prepared by the City Attorney's office with the coöperation of William C. Bernard of St. Louis (placed at the disposal of the city administration by the Citizens' Bureau) has been passed by the two houses of the legislature. An amendment to the bill requires the approval of the Milwaukee electorate at referendum before it can become operative. At this writing the bill has not received the signature of the governor but plans are being formulated for the special election.

An unsuccessful effort was made to remove the strangling effect of the amendment passed in the 1929 legislature to the Home Rule Enabling Act which requires that all home rule legislation must "specifically designate all prior legislation affected." Our attorneys advise us that the city's power to enact a comprehensive home rule charter had been abrogated by this amendment. And thus was the proposed strong-mayor—P. R. charter prepared in 1928 scrapped.

A study of whether it was more advisable to extend Milwaukee's sewage disposal plant or to build a water filtration plant was made. The Citizens' Bureau recommended the former. The transfer of land necessary for this was authorized by the common council.

*

New Bedford Taxpayers' Association.—In common with a great many cities throughout the country, New Bedford found that the welfare and relief requirements for the past winter had been a great drain upon their operating budget, and it became necessary in the spring to face either a radical decrease in cost or an increase in taxes.

At the request of the mayor, the New Bedford Taxpayers' Association made an analysis of the pay roll of the city and worked out a number of possible schedules for reduction in wages based on a sliding scale with a greater per cent reduction for the higher paid officials. The schedule that was finally adopted and which was worked out by the Taxpayers' Association calls for a decrease of 10 per cent for all persons over $4,000, no reduction for the scrubwomen and no decrease in personnel. This meant an average reduction of something like 7½ per cent which was the reduction for the largest group on the city pay roll, school teachers, policemen and firemen. The Bureau questions the scientific quality of their method, but views with relief the annual saving of $300,000.

*

National Institute of Public Administration.—An endowment of $1,500,000 for the National Institute of Public Administration has been announced. The Institute has become affiliated with Columbia University. Under the arrangement, the future research projects of the Institute will be mapped out with the approval of the University. The general policy and direction of the Institute, however, will remain, as before, under the control of its board of trustees, and it will maintain its independent corporate existence.

Luther Gulick, director of the Institute, has been appointed to the Eaton Professorship of Municipal Science and Administration at the University, to take charge of the courses in municipal administration and to serve as liaison in the development of the work.

As a result of a survey of the Maine state government made by the National Institute of Public Administration during the summer and fall of 1930, Governor Gardiner recommended a plan of administrative reorganization to the legislature which met in January. This plan was embodied in an "administrative code" bill drafted by A. E. Buck of the Institute staff. After considerable modification of the plan, the bill was enacted by the legislature and signed by the governor on April 2. It abolishes some twenty-eight administrative agencies and sets up five departments. One of these departments combines all the health and welfare activities of the state. Another provides for an orderly and up-to-date system of fiscal procedure and control. A third establishes an independent audit of the state's finances.

NOTES AND EVENTS

EDITED BY H. W. DODDS

Developments in Municipal Ownership of Electric Light and Power.—The city of Jamestown, New York, has executed a contract for the purchase of the Niagara, Lockport and Ontario Power Company's distributing system in the Jamestown area. By this step the private system is amalgamated with the municipally owned system. Duplication of lines and services will be discontinued and the unit costs materially lowered, according to a statement by Karl Peterson, chairman of the Jamestown Utilities Board.

The city will continue for a period to buy power from the private company but eventually all the current will be generated by the municipal plant, which has been a severe competitor of private owners, who several months ago brought suit to compel the city to raise its rates. It was unsuccessful and the matter has been settled by sale to the city.

By recent action of the Michigan Supreme Court, the village of Allegan is now permitted to proceed with the construction and operation of an electric light plant, authority for which had been previously granted by the state legislature. A consumers' power company fought the proposal in a series of law suits which forced the city to suspend construction for a time. The recent action of the Supreme Court confirms the right of the village to condemn land owned by the power company necessary for a municipal power dam.

In the April election, Wyandotte, an important suburb of Detroit, voted against the sale of its municipal power plant to the Detroit Edison Company. The voters were convinced that the municipality was affecting definite financial economies by operating its own system.

◆

Kansas City Approves Improvement Program.—On May 26, a series of bond issues totaling $39,950,000 was submitted to the voters of Kansas City, Missouri. There were twenty separate projects, all of which were approved, the vote being about four and one-half to one. There was an unusual amount of interest in the election and an unusually large vote for a special bond election. Projects and the amounts were as follows:

City Projects

New city hall	$4,000,000
Playgrounds, parks and boulevard improvements	2,750,000
Public hospitals	2,000,000
Public markets	500,000
Stadium and outdoor theatre	750,000
Extension of fire department	375,000
Extension of police department	125,000
Trafficways and boulevard improvements	8,300,000
Blue River flood protection and parkway projects	1,000,000
Water works system, including softening plant	3,500,000
Municipal auditorium	4,500,000
Sewers and sewer pumping system	1,500,000
Improvement of municipal airport	500,000
Streets, underpasses, safety islands and safety zones	200,000
Brush Creek sewer	1,000,000
Garbage and refuse incinerator	1,000,000
Total	$32,000,000

County Projects

New courthouse in Kansas city	$4,000,000
Remodeling courthouse in Independence	200,000
New detention home and site	250,000
County roads	3,500,000
Total	$7,950,000
Grand total	$39,950,000

The adoption of this bond program was the result of a number of years of agitation for a ten-year financial and improvement plan. The Kansas City Public Service Institute has been urging the preparation and adoption of such a plan as a means of controlling improvement expenditures and of securing an orderly schedule of improvements. The adoption of the bond program is not approval of a complete ten-year financial plan, but it at least is a program for improvements which are to be built in large part from bond funds.

The program was prepared by a citizens' committee, called the Civic Improvement Committee. This committee was headed by the president of the Chamber of Commerce, an outstanding citizen of Kansas City. It was undoubtedly due largely to his ability and forcefulness of personality that it was possible to secure the preparation and adoption of such a plan at this time. The Civic Improvement Committee consisted of 1,000 members. There were numerous subcommittees which did the rough work of analyzing suggestions, but the final program was prepared by the executive committee.

In the preparation of its program, the committee had before it detailed studies of the financial condition of the various local governments, including both revenues and expenditures of past years and estimates for the next ten years. The estimates of probable future revenues necessitated reduction of the program to $40,000,000. While official approval of the estimates of operation expenditures and expenditures from other than bond funds has not been given, these estimates were the basis on which the program was prepared. Estimated tax rates were submitted for the entire ten-year period based on assumptions as to operation expenditures, assessment increases and schedule of expenditure of bond funds.

A tentative schedule of order of expenditure of funds was prepared. The council resolution, however, simply provided that not more than one-tenth of the amount of bonds for city purposes be spent in any one year unless a smaller amount was spent in a previous year.

A citizens' advisory committee of ten members has been appointed to follow up the expenditure of the funds. Its purpose is to insure, so far as possible, that the funds will be spent as programmed, unless changes prove desirable, and that there will be no waste of funds.

WALTER MATSCHECK.

✦

Summary of 1931 State Purchasing Legislation.—Centralized purchasing was adopted by two states, and the purchasing system of two other states was strengthened, at the 1931 sessions of the legislatures. In Maine, a bureau of purchases is included in the new department of finance. This bureau will have power to buy for all departments and institutions of the state government, except the University of Maine, the state normal schools, and the legislature. Centralized purchasing was recommended in the survey report on the state government of Maine conducted in 1930 by the National Institute of Public Administration, and was supported by Governor Gardiner as a part of his reorganization program. The new law was to take effect on July 5, but may be held up until approval at popular referendum this coming fall provided the opponents of state reorganization make good on their threat to file petitions with the governor calling for a special referendum vote.

The North Carolina legislature created a division of purchase and contract in the governor's office and gave it power to contract for all the departments and institutions of the state, except the supreme court and the legislature. The law was drafted by the executive counsel of the state and by the writer in accordance with the recommendations of the Brookings Institution as set forth in the report of their 1930 survey of the state government.

In so far as it is possible to do so by law, the Maine and North Carolina statutes will provide very satisfactory purchasing systems. In each state a standardization committee is created and is given power to formulate, adopt and enforce standard specifications. In Maine the standardization committee will also assist in the adoption and amendment of rules and regulations to provide the details of the purchasing system. In both states this committee represents the governor, the purchasing office and the using agencies. The state purchasing agent of North Carolina is required to have had at least two years' practical purchasing experience in a public or private purchasing office, prior to his appointment by the governor. In both states, the purchasing agent will be encompassed about by the very minimum of procedural red tape and statutory restrictions upon his freedom of action.

When these two new laws become effective, thirty-seven states will have adopted centralized purchasing for all departments or institutions or both.

In the closing days of its 1931 session, the legislature of New Jersey passed a law designed to strengthen the present purchasing department. The law is intended to continue the present purchasing agent in office until the expiration of his term, after which the purchasing agent will be appointed by the governor for a term of five years. A standards and specifications committee is created, with about the same personnel and powers as the comparable committee created by the Maine and North Carolina statutes. Standardization is seriously weakened in New Jersey, however, through the provision that any using agency may veto the standard adopted by the committee and may substitute its own standard specification. This law was a part of the reorganization program sponsored by the state audit and finance commission, commonly known as the Abell Commission.

The 1927 law providing centralized purchasing for Utah was amended at the 1931 session of the legislature. The governor, secretary of state and attorney-general constitute the board of supplies and purchase with power to prepare the budget, fix and standardize salaries and make a pre-audit of all expenditures, in addition to acting as the central purchasing agency for all state departments and institutions, including all state colleges and the university.

Russell Forbes.

*

Missouri Adopts Progressive Income Tax Law.—Missouri, as a result of action taken at the recent legislative session, joins the ranks of those states levying a progressive income tax. In 1917 Missouri adopted a general income tax law which imposed a flat rate of ½ per cent upon the taxable net income of individuals and corporations. This rate was increased to 1½ per cent in 1919. Since 1921, however, the rate has been 1 per cent. The law of 1931 which will go into effect ninety days after the adjournment of the present legislature imposes the following rates upon the net taxable incomes of individuals (gross income less legal deductions and personal exemptions):

1% on net incomes not exceeding $1,000
1½% less $5 on net incomes from $1,000 to $2,000
2% less $15 on net incomes from $2,000 to $3,000
2½% less $30 on net incomes from $3,000 to $5,000
3% less $55 on net incomes from $5,000 to $7,000
3½% less $90 on net incomes from $7,000 to $9,000
4% less $135 on net incomes in excess of $9,000

Corporations under the new law will pay a flat rate of 2 per cent on all income derived from business in Missouri. This is just double the old rate. A resident of Missouri must pay the graduated tax on his income from all sources; non-residents must pay on income derived from sources within the state. Personal exemptions are $1,000 for a single person, $2,000 for a head of a family, and $200 for each dependent.

Administration of the state income tax in Missouri has not been very satisfactory. This has been due mainly to the system of local and decentralized administration set up in the original act of 1917. The county and township assessors, the similar organization of tax collectors, and about a dozen employees in the state auditor's office comprise the present organization for state income tax administration. While the new law does not abolish the system of local assessment and collection, drastic provisions have been inserted to insure greater efficiency of administration. One section takes advantage of the federal regulations under which the federal government will give the state a list of all federal income taxpayers in the state on the request of the governor. A requirement has also been included to the effect that every person making a state income tax return must file with it a copy of his federal tax return. The state auditor is provided with three division deputies to direct the checking of the tax returns, and his force of examiners is increased from ten to twenty. Severe penalties are imposed for evasion and for violation of any provisions of the law.

The new tax law, it is estimated, will add approximately $6,000,000 to the state's annual income tax revenues, which are at this time approximately $4,000,000. It is expected that the additional revenues will result in extensive improvements in the rural public schools and improvements in the facilities at the state educational, eleemosynary, and penal institutions.

Martin L. Faust.

*

Fate of C. M.-P. R. Bills in Pennsylvania.—The Pennsylvania legislature, after an abnormally long session whose concrete accomplishments have been summarized in three words, "appropriations, apportionment, adjournment," closed in May without favorable action on any of the five bills before it to make the city manager plan and proportional representation optional for municipalities by popular vote.

In this as in other fields, however, the legislature served a useful function as a public forum for dramatizing vital issues. On April 14, municipal home rule, the city manager plan, and proportional representation were ably debated in the house of representatives for an hour. The bill to make C. M.-P. R. government optional for

Pittsburgh and small cities was defeated by the close vote of 103 to 91. The defeat was caused primarily by the active opposition to the Pittsburgh machine which used its trading power to split Governor Pinchot's majority on this issue, although the governor had declared himself publicly in favor of the legislation.

The Philadelphia optional P. R.-Manager bill was supported at an impressive hearing by Secretary of the Commonwealth Richard J. Beamish and representatives of Philadelphia organizations with a total membership of a quarter of a million; but the measure never emerged from committee. Although the majority of the house committee were favorable in principle to the C. M.-P. R. measures, they concluded that the Philadelphia bill had no chance of passage in the senate and, therefore, agreed to its suppression in return for twenty-five Philadelphia votes for the P. R.-Manager bill for other cities. But these votes proved insufficient for the passage of the Pittsburgh measure; and the three remaining bills, including one to make the manager plan without proportional representation optional for third-class cities, died in committee.

Notwithstanding the defeat of the above measures, certain concrete gains were made towards the attainment of municipal home rule. Accomplishments to be noted include the passage through one house of a general home rule enabling act; the endorsement of the optional P. R.-Manager charters by eight important state organizations, including the State Grange, Pennsylvania Federation of Labor, Pennsylvania Association of Boroughs, the executive board of the State Federation of Pennsylvania Women, and the principal women's groups of the Republican and Democratic parties. Another result was the formation at the instigation of the Proportional Representation League of a state-wide municipal charter committee, under the presidency of Dr. J. Horace McFarland, which will lend support to such legislation in future sessions. Another victory was the endorsement of optional manager legislation (without action on proportional representation) by the State Chamber of Commerce.

George H. Hallett, Jr.

*

Training for Government at the University of Southern California.—Establishment of the School of Public Administration, a major division founded in March, 1929, by the University of Southern California, as a school of minor statesmanship, looms as a significant event in the field of higher education.

"With the growth of cities and the increasing concentration of population in metropolitan areas, government has become more complex, and the need for men and women trained in the administration of public affairs is pressing," states President R. B. von KleinSmid, who declares that it is the province of the modern university to prepare people for specialized public service.

Full-time professional school curricula with majors in special fields leading to the degree of Bachelor of Science in Public Administration are provided. Part-time extra-hour courses designed for those in public service is also given at Southern California. An additional graduate year curriculum leading to the professional degree, Master of Science in Public Administration, available to full-time and part-time students is likewise offered.

Professor Emery E. Olson is dean of the School of Public Administration. An advisory committee consists of the deans of the Law School, College of Engineering, the School of Social Welfare, the College of Commerce and Business Administration, as well as the departments of political science and physical education at U. S. C.

In addition to fundamental courses in economics, science, psychology, sociology, and public speaking, special courses are given in principles of government, municipal administration, city planning, public health, sanitary engineering, governmental finance, municipal law, juvenile welfare, water supply, public utilities, police administration, fire prevention and control, taxation, airport management, air law, social welfare administration, and criminal law administration.

In addition to the regular day-time campus courses, evening work is concentrated in a convenient and suitable location in the Los Angeles Civic Center, with the Los Angeles City Hall offices as actual laboratory locations and classrooms.

A new government research library has been established at the University of Southern California in connection with the School of Public Administration. Government and municipal reports, city charters representative of the various forms of city government in America, state budget reports, and city manager reports are constantly being added.

An annual one-week institute of public administration is sponsored by the School of Public Administration and attended by public officials and personnel—mayors, city managers, commissioners, councilmen, department heads and their staff members—with national and sectional authorities and experts leading round table discussions, lecturing, conducting conferences, and heading forums on specific fields.

✱

Special Assessment Debt Limited in California.—Special assessment relief in California has been afforded by the signing of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 by Governor Rolph. The act restores to the people the power to defend their property against confiscation under the guise of progress. It provides that any project may be halted for one year by a protest of a majority of the affected property owners. Under the laws in effect up to this time, any protest of the taxpayers could be over-ruled by the local legislative body, and unnecessary and burdensome public improvements were often forced on the people.

Two definite limitations on the amount of special assessments are provided. First: No parcel of land may be assessed more than 50 per cent of its true value for any one project. Second: The total special assessment burden in the district may not exceed 50 per cent of the true value of all the lands in the district. This second limitation is designed to stop the pyramiding of special assessments, which occurs when several districts overlap.

The act also makes it necessary that each project be fully investigated and the basic facts supplied the taxpayers by mail before the improvement can be started or the ordinance of intention adopted.

Much of the protection offered by this law is null without definite action by the property owners. The act allows the city council or county board of supervisors, if they find after study that the cost of the improvement will not exceed the above limitations, to send out a notice of the proposed assessment. Attached to this notice is a return postcard on which the property owner may "demand" or "not demand" the use of the Special Assessment Investigation, Limitation and Majority Protest Act.

If the owners of at least 15 per cent of the area of the district do not demand the operation of the act, the legislative body is "at full liberty to proceed" with the improvement and disregard the provisions of the act, except the provision for an effective majority protest.

California Taxpayers' Association.

✱

National Conference on Rural Government.—Rural Government will be the topic of the Fourteenth Annual American Country Life Conference to be held at Cornell University, August 17–20, 1931, under the presidency of Dr. Liberty Hyde Bailey. The Conference will include forums on County Organization and Management; Village and Township Government; Taxation; Public Education; Health and Social Welfare; and Rural Planning (Land Utilization, Reforestation, Electrification and Roads), as phases of rural government. National leaders in the study and improvement of rural government will be among the speakers. Announcements may be had from Dr. Dwight Sanderson, Cornell University, Ithaca, N. Y., or Dr. B. Y. Landis, Secretary, American Country Life Association, 105 East 22nd Street, New York City.

✱

County Consolidation in Georgia.—Fulton County, Georgia (in which Atlanta is located), has voted to consolidate with Campbell County. As Campbell County had already voted for consolidation the matter is now settled. The enabling act authorizing consolidation provides that all the property of Campbell County shall become the property of Fulton County and that Fulton County shall assume all bonded indebtedness and current liabilities of Campbell County. All Campbell County records are to be transferred to the Fulton County Court House and Campbell County offices are to be abolished. Fulton's population is 318,000; Campbell's slightly less than 10,000.

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VOL. XX, No. 8 AUGUST, 1931 TOTAL No. 182

CONTENTS

EDITORIAL COMMENT .... *H. W. Dodds* 435

HEADLINES .... *Howard P. Jones* .. 439

MORE WATER FOR SOUTHERN CALIFORNIA .... *William P. teGroen* 441

COUNTY REORGANIZATION BLOCKED BY OHIO LEGISLATURE .... *R. C. Atkinson* 446

TEANECK UNDER MANAGER PLAN CUTS TAXES TEN PER CENT 449

HOW ROCHESTER MANAGES ITS REAL ESTATE ...... *Warren W. Allen* .. 454

THE BUFFALO PUBLIC SCHOOL SURVEY .... *Harry H. Freeman*. 457

MUNICIPAL DEBT LIMITS AND THE FINANCING OF PUBLICLY OWNED UTILITIES .... *Lawrence L. Durisch* 460

THE MASSACHUSETTS BILLBOARD CASES .... *Albert S. Bard* 465

STANDARDS OF PLAY AND RECREATION ADMINISTRATION 485

DEPARTMENTS

Recent Books Reviewed 475

Notes and Events .... *Edited by H. W. Dodds* 479

The contents of the NATIONAL MUNICIPAL REVIEW are indexed in the *International Index to Periodicals*, in *Public Affairs Information Service* and by the *Engineering Index Service*

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THE LEAGUE'S BUSINESS

Baldwin Prize Award.—The committee on award of the annual Baldwin Prize, consisting of George D. Carrington, New York City; J. T. Salter, University of Wisconsin; and Clarence G. Shenton, Philadelphia Bureau of Municipal Research, has granted the first prize to William H. Jewell, University of Chicago. The subject of his essay was "Allocation of a Proper Portion of the Gasoline Tax to the Municipalities." The Baldwin Prize of one hundred dollars has been offered annually for a number of years by the National Municipal League for the best essay on municipal government by a college undergraduate.

Honorable mention for essays on "Private Versus Municipal Ownership and Operation of Airports" was received by John G. Prendergast, Amherst College; and Henry T. Sulcer, University of Chicago.

*

Study on Selection of Judiciary.—For a number of years students of judicial administration have deplored the lack of authoritative facts with reference to the best ways for selecting judges. For a number of years the American Judicature Society has urged the National Municipal League to undertake a study of this kind.

Steps are now being taken to organize a committee on selection of judiciary which will jointly represent the National Municipal League, the American Judicature Society and the Johns Hopkins Institute of Law. The committee is now in process of formation. Dean Justin Miller of the Duke University School of Law has accepted the chairmanship. The Public Affairs Committee of the Union League Club of Chicago has granted permission to Edward M. Martin, its secretary, to act as secretary of the committee and to direct the study on selection of judiciary. A statement of the committee's program and its personnel will be announced in a later issue of this page.

*

Model Municipal Administrative Code in Tentative Form.—A year ago the executive committee of the National Municipal League appointed a committee to prepare a model administrative code. The committee is headed by W. E. Weller of the Rochester Bureau of Municipal Research as chairman, and Emmett L. Bennett, secretary of the Municipal Reference Bureau, University of Cincinnati, as secretary. Mr. Bennett as secretary has now prepared a tentative draft of a model code which is designed to complement the *Model City Charter* by providing the necessary administrative rules and regulations to install the city manager plan. The report in tentative form has now been distributed to the committee for criticism and revision. The committee will meet in November in connection with the National Conference on Government, but its report will probably not be ready for publication for many months.

Russell Forbes, *Secretary.*

NATIONAL MUNICIPAL REVIEW

VOL. XX, No. 8 AUGUST, 1931 TOTAL No. 182

EDITORIAL COMMENT

By recent action of the legislature, Vermont became the forty-eighth state to adopt a zoning enabling act. The bill was passed unanimously in the senate and almost unanimously in the house of representatives.

*

Public officials are human beings, according to Professor Thomas H. Reed in an address to the Detroit Citizens' League. Professor Reed, however, is not so sure about so-called good government leaders. Many failures in civic reform, he contends, are due to the inability of reformers to maintain satisfactory relations with officials after the election is over. Honest and capable public officials should not be left to operate in a vacuum.

*

Municipal expenses reduced $5.00 per capita in the face of heavy debt charges and increases mandatory on the council is the record of the first seven months of city manager government in Teaneck, New Jersey. Teaneck is the third New Jersey municipality to come under the optional manager plan enacted in 1923. The Taxpayers' League is responsible not only for the adoption of the plan but for the election of an efficient council without partisan connections. The city expects a rapid increase in population following the opening of the new Hudson River bridge and believes that its government is now set to accommodate such expansion efficiently and well.

Many readers of the REVIEW will be grieved to learn of the death of Mrs. George H. Burnham, Jr., who for so many years shared the interests of her husband in civic reform generally and in the National Municipal League in particular. Mrs. Burnham was the anonymous donor of the Baldwin prize offered each year by the League for the best undergraduate essay upon some phase of municipal government. Her death marks the passing of another of that generation which brought the National Municipal League into being and charted the course of municipal reform in the United States.

Important California Cities Adopt C.-M. Plan The San Diego city manager charter, which was described by Edwin A. Cottrell in the April issue, was adopted by a popular vote of 23,360 to 5,744. It received a majority in every precinct of the city and goes into effect on January 1, 1932. A mayor and council have been elected under the existing charter favorable to the manager plan and the present manager of operations will probably be continued as the city manager when the new charter takes effect.

The charter proposed by the board of freeholders of Oakland, California, as an alternative to the council manager amendment adopted last November, was defeated by a large majority. The freeholders' proposal was a compromise between the mayor and manager forms by which the popularly elected mayor would have had considerable appointing power, including the selection of the manager and the assistant manager. By its defeat the voters for a second time expressed their confidence in the standard manager plan. A council sympathetic to it was elected, and O. E. Carr has been called from Fort Worth, Texas, to be the first manager.

*

Detroit's Proposal for an Administrative Assistant to the Mayor

Believing that city manager government is out of the question for Detroit for the present, the Detroit Bureau of Governmental Research proposes an administrative assistant to the mayor as an alternative to a manager appointed by the council and as a method of eliminating some obvious defects in the present system and accomplishing some of the results anticipated from the manager plan. The administrative assistant would act as the mayor's deputy in administrative matters. To remove the incumbent from the possibilities of political appointment and influence, it is suggested that certain minimum qualifications for the office be set up in the city charter and that the appointment be after a civil service examination and upon certification of names to the mayor. The mayor would have the power of removal at will upon presentation of charges but the successor would be selected from the list of eligibles prepared by the civil service commission.

Detroit has been generally well governed and there is little sentiment for a change from the mayor plan. This being true, the proposal of the Bureau is worthy of serious consideration. If adopted the experiment will undoubtedly be observed closely by officials of other cities, especially those whose constituencies are beginning to agitate for the manager form.

The Bureau's scheme would delegate to the administrative assistant much of the detail which the mayor now handles. Since it is anticipated that the assistant will carry over from term to term, his importance will increase as new mayors, unfamiliar with their duties, come into office. The city would profit from the continuous attention to and improvement of administrative procedure, whereas at present the period between mayoralty elections is so brief that no mayor has much time to consider new administrative methods. The mayor would continue as the policy head of the city government and, relieved of administrative detail (which would undoubtedly be more efficiently handled than at present) he would enjoy a better opportunity for developing into a forceful civic influence than at present.

The Detroit Bureau makes its proposal of an administrative assistant not as a substitute for a city manager but to ameliorate certain defects in the present charter. It is virtually, however, a type of office new to American experience. Inasmuch as our cities are supposed to be laboratories of democracy, it is to be hoped that Detroit will give the experiment a trial.

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Cleveland's Municipal Light Plant—Success or Failure?

In June the REVIEW published an article by R. Husselman, charging that the development and expansion of the Cleveland Municipal

Light Plant had been deliberately retarded by a city manager and a director of public utilities opposed to municipal ownership. In July appeared an article by Howell Wright, the director of public utilities referred to by Mr. Husselman, which, although not mentioning Mr. Husselman's charges, was virtually a reply to them. The careful reader may be forgiven a moment's mental confusion when he discovers that Mr. Husselman unintentionally builds up an almost conclusive defense for Mr. Wright's management, while Mr. Wright's rejoinder supports the charges of his opponent.

That City Manager Hopkins and Director Wright are and have been antagonists of the doctrine of public ownership of utilities is a well known fact (they have not tried to conceal it); but Mr. Husselman's article leaves one still to be convinced that their management of the city's electric light plant was unwise or disloyal. Certainly the case for political sabotage remains far from proven.

Mr. Husselman claims that the enterprise has been financially successful although its residential rates are the lowest in the country for cities of similar size. For 1929 the net income, he states, amounted to $547,000 after allowance for all operating expenses, maintenance, depreciation, interest on electric bonds outstanding, and accrued taxes (not paid). The physical condition of the plant, he asserts, is good and the service is continuous and reliable. So, indeed, one may ask, where or how sabotage?

But Mr. Wright contends that this apparent profit is in reality a deficit, and would be so shown on the books if the accounts were kept according to his understanding of the Cleveland charter. Contrary to Mr. Wright's interpretation of the law, the city has allowed for interest only the actual interest costs on outstanding bonds and has not set up on its books an interest charge on the entire investment. Here is raised the question whether in computing profit or loss a theoretical charge upon the gross investment should be used (as Mr. Wright insists) or only the actual interest on bonds outstanding.

There seems to be no dispute that during Mr. Wright's term of office the municipal plant has provided regularly for operating expenses, maintenance, depreciation, tax accruals, actual interest on bonds outstanding and amortization of bonds as required by law. The net profit appears, therefore, to be properly figured by Mr. Husselman. When earnings have been used for amortization of bonds, provided that maintenance and depreciation have been adequate, there appears to be no economic or financial reason for estimating interest upon any greater amount than the funded debt outstanding.

We doubt the validity of Mr. Wright's view that section 77 of the Cleveland charter requires that a hypothetical interest rate of 6 per cent to be charged against gross book value (without deducting depreciation or amortization) instead of net investment as reflected by the unamortized bonds. Even if Mr. Wright is correct in his interpretation of the charter, it is not proper fiscal accounting. If bonds are retired from earnings, there is no reason why interest charges should be figured upon the entire original bond issue, much less upon gross book cost against which depreciation has been accrued out of earnings.

The plant, as a matter of fact, has not only paid the full cost of service with a profit to the city, but has borne a duplication of charges—depreciation and amortization. Deductions before profit should include all operating expenses, not forgetting maintenance and depreciation, but the further charge of bond redemption is a different sort of item. It builds up a surplus instead of an operating reserve.

Whether the municipal plant should have been extended over the entire city must be decided in the light of the basic purpose it is to serve. Mr. Husselman is convinced that the failure to do so has been deliberate and subversive of the public interest. It is true that the company has been left in possession of most of the distribution territory and this Mr. Husselman, apparently an "out-and-outer" for municipal ownership, resents. But it does not spell sabotage. From another viewpoint it may constitute a sound policy to be followed systematically with great advantage to all the people of Cleveland. If the municipal plant, small though it be, has been effective in securing low private rates, it will be considered by many to have fulfilled its function adequately.

The public benefits from the Cleveland municipal plant, or from any municipal electric system, do not come primarily from economies in generation, but rather from savings in distribution. It is in the domain of distribution cost that the Cleveland plant has set a standard for the company, a fact which both writers have completely ignored. The purchase of current from private sources, urged by Mr. Wright, to meet future load growth, in place of enlarging the present generating plant, may be a sound policy. It is a question admitting of simple technological determination, which, in any case, would have little influence on domestic rates. But the forced expansion of the municipal system to include the entire city might involve duplication of costs so excessive as to destroy the merits of municipal operation. Deliberate restriction of distribution territory certainly is not sabotage when the company has on its part adopted the municipal rates throughout its own territory.

Mr. Husselman seems to think only in terms of generation, whereas it is in the field of distribution that the municipal plant is most significant and in which the city has effected obvious savings for the consumers. The fact is that municipal generation has little, if anything, to offer the city. Current can usually be purchased more cheaply from central sources than it can be generated locally, whether by municipal or private plants. But in the field of distribution, basic conditions are different and the municipal plant will normally possess a distinct economic advantage.

Mr. Wright's assumption that municipal operation is inevitably inefficient and that the results must always be bad is not necessarily supported by the specific instance which he cites. Pointing to the contract with a private company for the maintenance of the street lighting system, he claims a saving of $40,000 annually over what it would cost the city to do the work through its own organization. But the example proves too much. If municipal management is unavoidably inefficient, how did it come that the city hit upon the expedient of saving $40,000 a year through competitive bidding? Indeed, the $40,000 is not a comparison of general efficiency between the city's own department and the company's own work, nor does it demonstrate that the company's day-by-day organization is more efficient than that of the city.

J. B.

HEADLINES

Chicago's financial troubles are still coming in bunches like bananas. The board of tax assessors had to keep open house on Sunday recently for more than 3,000 protesting property-owners, and bids on a million dollar bond issue offered by Cook County were so low the interest rate would have been 7½ per cent if the offering had not been withdrawn. Teachers may be paid in scrip for May and June.

* * *

Chicago should not be lonesome, however. Falling valuations and shrinking bank accounts have hurt most municipalities. Even Detroit, "the city that rules itself," is not exempt. Detroit "is not impoverished or habitually dissolute; but it has waked up in the back room with a headache and its pocket money gone," reports the Detroit Bureau of Governmental Research.

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Indictment of the mayor and former director of supplies is recommended by the Pittsburgh grand jury investigating irregularities in the city administration. Pittsburgh citizens and newspapers yearn for the manager plan, but a machine-ridden legislature would not give it to them.

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Despite all the tobacco lobby could do, the Ohio legislature passed a bill providing for a two cent per pack stamp tax on cigarettes. Now, rumor hath it, packages will be used that stamps won't stick to! And the bootleggers will wax fatter and richer.

* * *

Forcing the inhabitants of 255 acres of land in Schenectady to move by buying the land for park purposes would be far cheaper for the city than to spend money on sewers to serve the section. The assessed valuation of the section is $74,000, and the estimated cost of sewers is $408,000.

* * *

A ten per cent cut in all state salaries, including his own, is urged by Governor Richard B. Russell, Jr., of Georgia in his first message in the legislature.

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Binghamton, New York, voted to adopt the manager plan at an election June 30 after an interesting fight during which the political machine took to the courts in the endeavor to prevent the application of the state law providing for optional forms of city government to Binghamton.

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A bill to create a commission to make a study of local government was passed by the Pennsylvania legislature in the closing days of the session.

The short ballot for state officers was approved by the committee on revision of the Oklahoma Constitution. Nine officers now elective would be made appointive. When the committee finishes its work, the recommendation will be submitted to a popular vote.

* * *

The coördination of federal, state and local tax systems would be the purpose of a conference of tax officials urged upon President Hoover by tax commissioners of New York, Illinois and Massachusetts.

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"The city manager idea is gradually forcing itself into a place in the thoughts of public administrators in England," declares L. Hill, general secretary, National Association of Local Government Officials.

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Former City Manager William R. Hopkins of Cleveland admits he is "seriously considering" running for city council in the fourth district.

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Aided by the Democratic machine, Saul S. Danaceau of Cleveland has collected 40,000 signatures to a petition for a referendum to return to the mayor-council form of government in the largest city operating under the manager plan. If the city council honors the petition, this will be the fifth time voters of Cleveland have expressed themselves on the manager plan.

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Reorganization of the administrative departments of the state government of Oregon is being accomplished by degrees by Governor Julius L. Meier. Fourteen boards and commissions handling agriculture have been consolidated into a single department headed by a director appointed by the governor. One department of law enforcing agencies has been created and a start made toward centralizing the control of the state institutions.

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Fort Worth, Texas, has voted in favor of municipal ownership of the gas distribution system. The action was the outgrowth of a movement for municipal ownership following a controversy over an increase in rates requested by the private company in 1927.

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The Georgia house has passed Governor Russell's state administrative reorganization bill which would reduce the number of state departments from 102 to 17. The bill still remains to be acted upon by the senate.

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A tax moratorium for owners of small homes, who will be unable to pay their taxes September 1 because of being unemployed, has been suggested by Governor Ely of Massachusetts.

HOWARD P. JONES.

MORE WATER FOR SOUTHERN CALIFORNIA

BY WILLIAM P. teGROEN
Los Angeles

The Metropolitan Water District comprising Los Angeles and thirteen other cities is going 300 miles to the Colorado River for more water.

Faced with the certainty of a water shortage unless an additional supply is secured to meet increasing needs, Southern California has acted to bring to its municipalities a new supply from the Colorado River. This new water supply from the Colorado River is to be brought to the gates of the participating cities by a gigantic aqueduct that will deliver one billion gallons a day—and will probably cost $235,000,000.

The sunshine which nature has lavished upon this region has its drawbacks as well as benefits. While this natural advantage has attracted more than 1,500,000 people to Southern California during the past ten years, the same sunshine now is the bane of public authorities and water engineers. Today this section is actually using 170 million gallons more water per day than nature is giving it in rainfall.

Not many years ago the region about Los Angeles, fed by the Los Angeles, San Gabriel and Santa Ana Rivers, boasted of a great artesian belt, 315 square miles in area. Water gushed from wells in tremendous quantities. Today this artesian belt has practically disappeared. Water levels are dropping in many regions by 20 feet per year, and in certain sections wells are running dry and salt water from the Pacific Ocean is setting in. The danger of salt water pollution that would forever destroy the underground reservoirs for human use has become a menace.

SIERRA NEVADA SUPPLY INADEQUATE

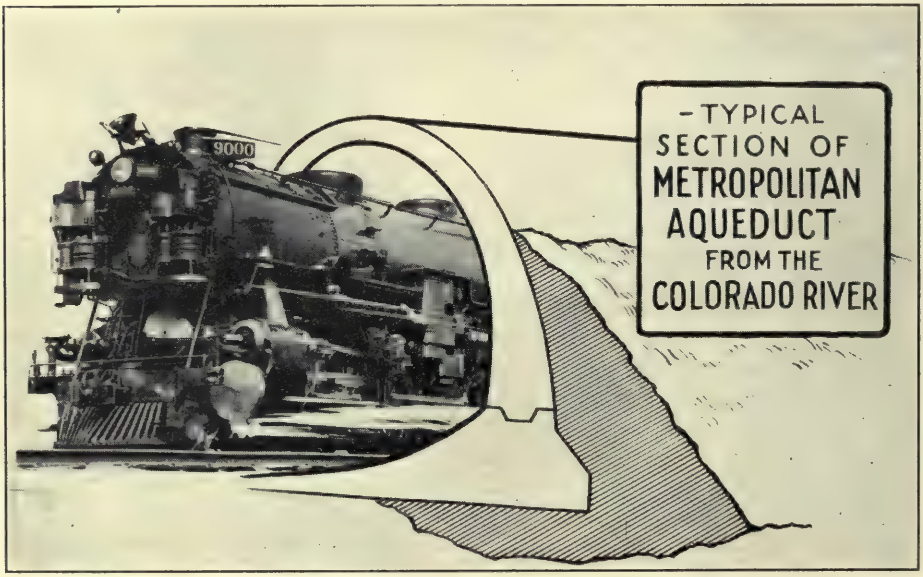
The city of Los Angeles a quarter of a century ago found itself nearing the safety margin of its water supply, then sufficient to supply 300,000 people. It went to the Sierra Nevada mountains, tapped the Owens River, and brought it over 250 miles of mountains and desert to its city limits. It now has a supply sufficient for a population of 2,000,000 people and again is at the point where it must secure more water or stop its phenomenal growth.

The problem of Los Angeles twenty-five years ago, however, now is the problem of every other Southern California city, and it was to meet the common need for more water that the Metropolitan Water District was formed among the municipalities of the section.

The only possible source of a sufficient new water supply is at the eastern boundary of California, not far above the Mexican border, where the Colorado River nears the end of its long route to the Pacific.

To insure a permanent and adequate supply from this source, however, it was first necessary to secure action by the United States Congress to construct a dam in Boulder Canyon in order that sufficient storage could be obtained. That project is now under way.

The route to be followed by the aqueduct has been selected. The intake of the great water carrier will be on the California side of the stream near Parker, Arizona. Thence it follows the ranges of the Whipple and Granite Mountains. The aqueduct will be approximately 300 miles in length. For a distance of ninety miles the water in the aqueduct will have to be pumped uphill, the net elevation of the lift being 1200 feet. The full flow of the aqueduct will be a billion gallons per day, or 1500 second feet. To lift that great volume of water to the high point of the aqueduct line at the peak of Shavers' Summit, will require approximately 250,000 horsepower. From Shavers' Summit the water will flow by gravity to the reservoirs. It is planned that the long boost will be accomplished by electrically-driven pumps, the power to come from the great hydro-electric power plants that the government will erect at the base of Hoover Dam in Boulder Canyon. Power necessary for the pumping has been allocated the district by the United States government.



Largest Locomotives Can Pass Through Section of Aqueduct—Diameter, 17 Feet

ROUTE SELECTED

The engineering survey for the route of the aqueduct was completed under the direction of Chief Engineer Frank E. Weymouth of the Metropolitan Water District. In selecting the route for the aqueduct it was necessary to conduct surveys in desert and mountain regions that had never been surveyed before, and scores of locations suggested for the route had to be considered. The so-called Upper Parker Route, which was the one recommended, was found to be the most practical and economical.

Mr. Weymouth was formerly chief engineer of the United States Reclamation Service and in that capacity has had a wide experience in the construction of irrigation systems, water works and dams.

His findings upon the feasibility of

the project, the route that the aqueduct is to follow and the cost, were concurred in by an engineering board of review composed of three engineers internationally known for their ability in the construction and operation of water works.

GOVERNMENT OF WATER DISTRICT

Under an act of the California state legislature special authority has been granted to municipalities to create water districts for the purpose of developing new domestic water supplies, the district to be governed by representatives of the various member cities. These representatives, known officially as directors, constitute the governing board of the water district.

Led by the city of Los Angeles, the Metropolitan Water District has been created, this coöperative political subdivision now having a membership of fourteen Southern California cities. Representation to the board of directors is governed by a state act, each member city being entitled to one director for each $10,000,000 of its total assessed valuation. Every municipality, however, no matter how small its assessed valuation may be, has at least one director upon the board.

The voting power of the various municipalities to the board likewise is governed by the assessed valuations, there being one vote for each $10,000,000 assessed valuation. However, it is specifically provided in the act that enabled formation of the district, that no one city shall have more than 50 per cent of the voting strength of the district. For practical purposes this provision was written into the act to prohibit the city of Los Angeles from exercising full control and actual government of the district. As the assessed valuation of Los Angeles is far in excess of fifty per cent of all the property of the cities making up the district, such control would have been vested in the Los Angeles representation to the board, had this provision been ignored in the bill.

No one city in the district can divide its vote.

To illustrate: Should there be a division of opinion on any question in the Los Angeles delegation, now numbering five but exercising a 50 per cent voting power of the entire board—the majority vote of the representatives of that city would be recorded as the attitude of the entire delegation.

Members to the board are appointed by the chief executive officers of the various member cities, and are subject to confirmation by the legislative bodies of the municipalities they are to represent. No definite term of office is specified.

The assessed valuations of the various cities form the basis for all their rights and powers in the board of directors of the district, and the administration of the affairs of the district. The amount of water to which each member city shall have title from the water supply is based upon its assessed valuation in relation to the assessed valuation of the entire district. Thus, if a city has an assessed valuation equal to one-tenth of that of the entire district, it can claim title to one-tenth of the water supply of the district. Likewise its share of expense, maintenance, operating costs, bond retirement and interest, is based upon the assessed valuation.

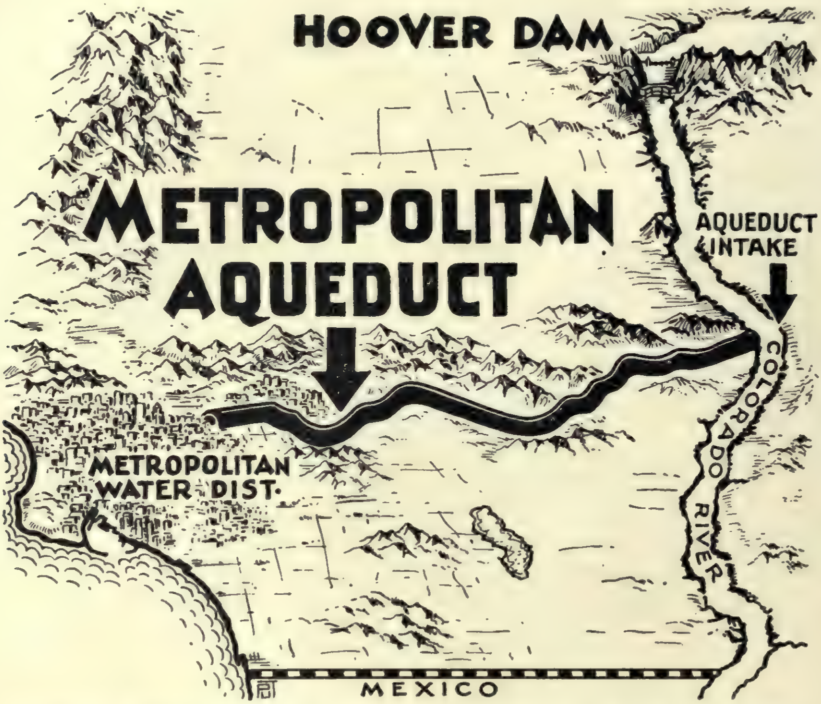
THE DISTRICT A POLITICAL UNIT

The district is a complete political subdivision and entity, comprising all territory within the corporate limits of the various member cities.

The board possesses a wide latitude of power. It is a legislative, administrative and executive body. It may adopt ordinances in keeping with its activity. It may order the member cities to pay their individual shares of operating costs, etc. Each year it notifies the municipalities what the respective charges of each will be to meet the financial obligations of the district.

How this money is to be raised, is left to the discretion of the various cities. That may be done by taxes levied by the various member cities, and generally this practice is followed, although one municipality—the city of Glendale—is now building up a surplus in the earnings of its municipally-owned light and power system, to meet its share of operating costs of the district.

That city now has a surplus of more than half a million dollars for the purpose, and by the time bonds are voted for the construction of the Colorado River aqueduct, its officials expect to have sufficient moneys on hand to meet all interest and sinking fund charges charged to it by the district.



Path of Aqueduct 300 Miles Long—Highest Elevation 200 Feet Above Colorado River

As a political subdivision the Metropolitan Water District is unique in character in that the municipalities in the Los Angeles Metropolitan area that constitute it are not entirely contiguous. At the present time the member cities are Los Angeles, Long Beach, Pasadena, Glendale, Beverly Hills, Burbank, Anaheim, Colton, San Bernardino, San Marino, Santa Monica, Santa Ana, Fullerton, and Torrance. Los Angeles, Long Beach, Pasadena, Glendale, Beverly Hills, Burbank and Santa Monica are contiguous. In all cases the smaller cities mentioned meet with the boundary line of Los Angeles. San Marino joins with the Pasadena boundary.

But Anaheim, Colton and San Bernardino all are far removed from Los Angeles, the latter two cities lying more than 40 miles from the Los Angeles city limits.

Under the state act that authorized creation of the Metropolitan Water District, notice was sent out by the Los Angeles city council to all Southern California municipalities inviting their membership in the district.

It was necessary under the law that the question of joining the district be submitted to the voters of each city that signified its intention to join. The voters having approved incorporation of their individual cities into the district, the members of the board of directors were then appointed by the various appointive powers.

Once the district was organized, it still remained open to membership by other cities. Under the law any municipality wishing to join must first officially request, through its governing body, admittance to the district.

The directors then have the power to grant such city the right to submit the question of joining in the water district, to a vote of its electorate, and a majority of the votes cast decides the matter. Long Beach is the latest city to join. It is the largest city, next to Los Angeles, in the district.

The board of directors has the power of calling an election for the submission of a bond issue for the construction of the water works system, which is to be voted upon by the citizens of all member cities.

Taking notice of the vital necessity of water, the state enabling act under which the Metropolitan Water District was created, provided that a simple majority of all the votes cast for the bonds shall be sufficient to adopt the issue. The usual procedure requiring a two-thirds majority vote for bond issues was then waived to give the huge Colorado River aqueduct project a more favorable chance to be consummated.

COST READILY ABSORBED

The value of the property within the Metropolitan Water District has been estimated at seven billions of dollars. Students of political economy point out that a five per cent shrinkage of valuation of this property, would greatly exceed the amount of the total cost of the proposed aqueduct and its appurtenant works. The heavy financial outlay that the project will require will, therefore, they point out, more than be absorbed by the stabilizing effect it will have upon property values.

The Metropolitan Water District board of directors have already determined that the bonds to be voted for the project will run for a period of fifty years, payment of principal retirement to be withheld for the first ten years of the life of the bonds. After that time has elapsed, the revenues derived from the sale of water to the various member cities, will bring in sufficient revenues to make the district a self-sustaining body, in part at least.

COUNTY REORGANIZATION BLOCKED BY OHIO LEGISLATURE

BY R. C. ATKINSON
The Ohio Institute

Small-county men and city-machine politicians unite to defeat a proposed home rule amendment to enable counties to modernize their government with expanded powers to meet metropolitan needs.

County reorganization has been blocked once more in the Ohio legislature. Though the constitutional amendment which had been prepared by the advocates of county reform passed the senate in somewhat mangled condition, it was hopelessly strangled in committee in the lower house. Its defeat was no surprise. The county affairs committee of the house consisted chiefly of small-county men and organization Republicans from Cincinnati—the very elements most suspicious of or hostile to change in county government. However, had the measure been reported out, it is a practical certainty that it would have been beaten by a combination of the same forces on the floor of the house. The truth is that, while the urban public is becoming increasingly aware of the necessity of modernizing county government, rural opinion has not yet been aroused to the importance of such a change. In fact, the amendment was caught by the crest of a wave of opposition to centralization of authority, which has been sweeping over rural Ohio during the past two years.

CONSTITUTIONAL AMENDMENT CAREFULLY DRAFTED

The amendment submitted to the legislature was the product of months of study and discussion among representatives of the major business, farm and civic organizations of the state. It had its beginning in a state conference on county government called by the Ohio Chamber of Commerce early in the summer of 1930, though the movement had already gained some impetus during the preceding legislative session. As a result of this conference, a drafting committee, representing both urban and rural points of view, was appointed to formulate a suitable amendment. The completed draft was later submitted to a second state conference and somewhat revised in the light of criticisms voiced by the group.

The amendment was designed to serve a double purpose—to open the way for a thorough-going modernization of county government throughout the state and to afford a means for the development of an adequate central municipal agency for Greater Cleveland. Five principal features were embodied in the measure in addition to the repeal of existing constitutional provisions which block any general change in county organization. First, the amendment authorized the enactment of optional plans of county government, which might be adopted by any county by popular referendum. This provision alone, together with the repealer, would have opened the way for real reorganization, but it was felt that counties should have the right to adjust their governmental organization more definitely to local conditions if they desired and that the legislature might be slow to authorize some of the newer plans of government. Accordingly, counties were permitted to frame and adopt their own charters. Home rule only extended to governmental machinery, however, the matter of powers being left to general statute.

A third feature was a general grant of municipal powers to charter counties, the actual exercise of any such power within any local subdivision being contingent upon the consent of the subdivision. This provision was intended to permit a partial transfer of municipal activities to the county government where local conditions and local opinion were favorable to such a change. In particular it was designed for the use of some of the large urban counties which have a considerable suburban area, but which, like Hamilton County, were unwilling to accept the more drastic provision as to transfer of municipal services desired by Cuyahoga County.

SPECIAL FEATURES FOR CLEVELAND

The fourth feature and the most novel part of the amendment was the plan for dealing with the regional government problem in Cuyahoga County (Cleveland). The Cleveland metropolitan area now embraces some 55 separate municipalities of which 12 rank as cities (5,000 population or over). Unlike some metropolitan districts, Greater Cleveland is almost entirely confined to a single county. The same is substantially true of the other large urban centers of Ohio, with the exception of Greater Cincinnati which extends into Kentucky. In consequence, the county is both an available and a logical agency in which to centralize those municipal services needing unified administration. Some tendency along this line has already been evident.

So long as each municipality enjoys a constitutional grant of all powers of local self-government, which cannot be restricted by statute, it is impossible, however, to effect as definite a centralization of authority as is needed effectively to handle such metropolitan services as main highways, trunk sewers, water supply, health administration, etc., through the county government. Some plan must, therefore, be provided by which such services can be transferred to the county as the central government of the area and the dangers of obstruction and lack of coöperation on the part of local subdivisions be removed. This the amendment proposed to accomplish in the case of Greater Cleveland by permitting the county charter to vest in the county, either exclusively or concurrently, any power enjoyed by municipalities. Thus, the county could determine for itself the division of authority between the county and the local subdivisions and in effect reduce existing cities and villages to the status of boroughs within a central municipality.

In order to safeguard the interests of the suburbs, a special set of requirements was laid down for the adoption of a charter conferring municipal powers upon the county. In addition to securing a favorable majority in the county as a whole, such a charter must be approved by a majority of those voting thereon (1) in the central city, (2) in the county outside such city, and (3) in a majority of the municipalities and townships of the county. The last of these requirements would make the readjustment of local powers a very difficult undertaking, but it appears to be the price of suburban acceptance of any plan for the unification of municipal administration in the metropolitan area.

MORE FLEXIBLE THAN PITTSBURGH'S SCHEME

Unlike the Pittsburgh plan for the establishment of the so-called "federated city," this proposal did not attempt to define by constitutional enumeration the boundary between the powers of the central government and the individual subdivisions or boroughs. By leaving the matter to be determined by county charter, the provision possessed the merit of flexibility. It was felt that once the county government had been modernized a gradual transfer of municipal powers to the county would follow as local confidence in the county increased and the public became convinced of the desirability of a more unified system of government in the metropolitan region. Though restricted to Cuyahoga County, the flexibility of the provision was such as to make it applicable to any other large urban county to which it might later be extended.

Beside the provisions dealing with county government, the amendment also contained a section authorizing the creation of "rural municipalities." This was frankly an experimental feature, the exact significance of which was not particularly clear even to the framers of the amendment. It was inserted to satisfy the demands of certain rural leaders, who keenly felt the inadequacy of existing governmental machinery in unincorporated areas. Admitting the failure of the township to meet rural needs, they yet were not ready to turn to the county as the sole agency of local government in rural territory, largely it would seem because of the desire that rural problems be handled by a body in the composition of which the city electorate would not have a voice.

OPPOSITION FROM RURAL QUARTERS

The amendment received its principal support from the large cities and encountered its most serious opposition in rural quarters. In Cleveland the Regional Government Committee, representing the leading organizations interested in public affairs in the metropolitan area, sponsored the measure, and in most of the big cities it had the backing of the chambers of commerce and other principal business and civic organizations. The leaders of the state farm bureau federation and the grange were also friendly to the proposal, though inclined to oppose the provision as to Cuyahoga County. Their opposition to this part of the measure arose from the fear that the interests of the rural fringe might not be adequately protected in the reorganization of local government.

Strangely enough the major opposition came from the state association of township trustees, a body organized two years ago to aid the townships in securing a portion of the gasoline tax for use on township roads. This organization employed the proposed amendment as a bogey with which to arouse township officers and rural people generally into flocking to its colors in defense of the township and the sacred rights of local home rule. It was claimed that the amendment would jeopardize the existence of the township and that it meant centralization of power and loss of popular control of local government. The first of these contentions was groundless as the legislature already had the right to abolish townships if it chose, and the last involved a total misconception of the purpose of county reorganization. Much capital was made of the provision applying to Cuyahoga County and the possibility of rural people being forced into a scheme of metropolitan government against their will. Though only a few thousand farmers could possibly be affected by the Cuyahoga County section, their complaints met a sympathetic response among rural people elsewhere. While the claims broadcast over the state by the township trustees' association were unfounded and some of them smacked of misrepresentation, they played upon rural fears and prejudices sufficiently to produce a tide of opposition which effectively blocked the passage of the amendment.

Another source of active opposition was the suburban officials of the two largest counties. In Cuyahoga County an association consisting chiefly of suburban officials was formed to fight the proposal. Certain municipal officers in Hamilton County also were active. This opposition did not indicate the hostility of the suburban population as a whole, however. In fact, the Regional Government Committee in Cuyahoga County consists largely of persons residing outside the city of Cleveland.

Much real progress has been made in spite of the defeat of the amendment. The interest displayed in the larger cities is gratifying and indicates that party organizations in the big urban counties must soon reconcile themselves to the modernization of county government. On the other hand, it is clear that a large amount of educational work must be done in rural territory before a county amendment can be adopted in Ohio.

TEANECK UNDER MANAGER PLAN CUTS TAXES TEN PER CENT

New Jersey township smiling while it pays its first tax bills under manager government. :: :: :: :: :: :: ::

WHILE Teaneck, New Jersey, awaits the opening a few months hence of the great George Washington memorial bridge spanning the Hudson River, which will make Teaneck one of New York City's most accessible as well as most attractive suburbs, Teaneck is watching with satisfaction the working out of the results of its decision, less than a year ago, to adopt the municipal manager form of government.

Teaneck had to do something. It was head over heels in debt—approximately $1,500,000 over its debt limit as fixed by the law passed early in 1930. Its tax rate was high, and gave promise of going higher unless something was done. Just why Teaneck found it urgently necessary to do something is best shown by the tax and budget figures of the last five years. The gross tax collection figures shown in the following table include school, state and county taxes along with the amounts collected for the township government:

	Total Tax Collected	Township Budget	Township's Percentage
1926	$475,592.58	$119,300.00	25.01
1927	664,638.31	192,980.28	29.04
1928	962,464.00	345,492.68	35.89
1929	1,209,987.26	482,400.00	39.87
1930	1,323,728.10	592,038.58	44.73
1931	1,227,558.16	508,990.62	41.46

In four years prior to the change in government the total collected for township purposes increased 291 per cent, while the township's share of all taxes collected, increased 80 per cent. In ten years the per capita cost of the township government had increased from less than $10 to more than $35.

So Teaneck was in a mood to listen attentively to the workers of the Teaneck Taxpayers' League, an organization of independent voters formed early in 1929 to advocate the municipal manager plan, as a means of breaking the shackles of party machine rule.

Up to that time the league had been gaining gradually in membership, and quietly spreading its gospel in a limited circle. In January, 1930, it reorganized and launched an active township-wide campaign, which was kept up without a halt until on September 16 the referendum to change Teaneck's government to the municipal manager form was carried by a majority of 50.

It is not pertinent here to recount the tactics used by the opponents of the change, nor would space permit it. Suffice it to say that—as occurs in every community where important party machine entrenchments are threatened—the opposition halted at nothing. Misrepresentations, threats to township employees, whispering campaigns of personal vilification of Taxpayers' League leaders, appeals to racial and religious prejudices—all were used freely, and party whips were cracked over every back they could reach.

But the referendum carried, and four weeks later, on October 14, five Taxpayers' League candidates were elected with average votes 885 greater than the average of the next highest five among 19 candidates—all nominated by petition and placed on the ballots without party designation.

NOVEL PRE-ELECTION PLEDGES

On Armistice Day the new council was sworn in, and Teaneck sat back to watch and see what would happen—to what extent the councilmen would live up to their pledges, subscribed before a notary prior to election.

These pledges, in brief, bind the council to disregard party, race and creed and consider only fitness for office in making appointments; to hold no secret sessions, and in all their acts to be governed solely by the interests of the taxpayers without bias or favoritism.

Taking office November 11 and confronted with the task of drafting a budget that must be finally approved, after public hearing, early in February, the new council had to bestir itself.

The New Jersey law authorizes council to create at will advisory boards of citizens, to serve without pay and with power only to investigate and recommend. The first created was an advisory board on finance and assessments, including an able engineer familiar with township affairs, two bankers, an investment broker and an auditor, who gave unsparingly of their time, coöperating with the township manager and the council in drafting the budget.

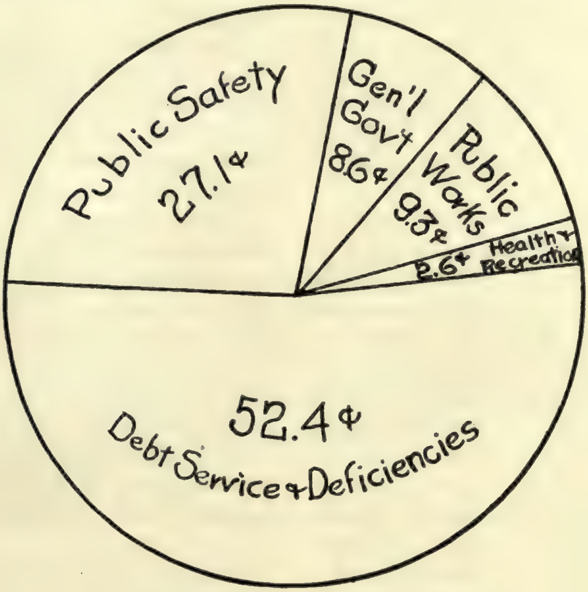
Since then a lot of water has gone over the dam, and here are some of the results:

EXPENSES PROMPTLY REDUCED

Despite mandatory increases in various items aggregating more than $40,000, the budget showed a net reduction in total to be raised by taxation amounting to more than $83,000, as compared with 1930. Helped by about $14,000 reduction in amount required for school purposes, this resulted in lowering the tax rate from 6.08 to 5.46—just a little better than 10 per cent—and Teaneck now smiles as it approaches Tax Collector Richard

J. Pearson's window to pay its tax bills. And why not? For Teaneck, with a population of approximately 17,000, enjoys a reduction of $5 per capita in the cost of its municipal housekeeping.

Distribution of the tax dollar shows: township, 41.5 cents; schools, 40.6 cents; county, 15.4 cents; state, 2.5 cents. Of the township's share, 21.7 cents are required for debt and deficiencies, leaving 19.8 cents of the tax dollar to operate the township.



The 41.5 per cent of total taxes collected in Teaneck devoted to the township government is expended as shown in this diagram from the 1931 budget. More than half goes for debt service and deficiencies, leaving but 19.8 per cent of each tax dollar for operating the township.

How was it done? The answer is a clear demonstration of two of the chief advantages of the municipal manager plan, namely: through the appointment of a capable township manager for full-time service, and the inauguration of a council unhampered by any party obligations.

For township manager the Teaneck council had the good fortune to secure Paul A. Volcker, who had had five years' successful experience as city manager in Cape May, New Jersey, working under the same state law—an experienced engineer and highly skilled in all branches of municipal administration. Note now some of the contrasts since November 11, 1930:

WHERE SAVINGS WERE MADE

Then the street gang numbered 36. It was cut to six during the winter, rose to a maximum of 25, in early summer, and later was reduced to 15 as a summer normal.

Deprived by the debt limit law of power to sell bonds for improvements, the township has given relief to residents on about three miles of impassable dirt streets, by laying a stone sub-base twelve feet wide, covered with cinder, at a cost of about $1,500 a mile.

Introduction of hot patching has reduced by 40 per cent the cost of a large amount of street repairs, and turns out a better job than the cold patch method formerly used. The saving for the season will reach into four figures.

Purchase of an Elgin sweeper to replace hand sweepers has given better street-cleaning service at less cost, and roadsides and vacant lots are being cleaned up as never before.

Two new cars and an asphalt melting kettle have been bought for the street department.

All motor repair work is now done at the township garage.

Fifty new street signs have been installed and all old signs painted.

For 1930 an appropriation of $8,000 was made for the town dumps and three men employed. The 1931 budget appropriated $2,000 for the dumps, but none of it is being spent, a contract having been given to a private individual glad to tend the dumps for their salvage value.

For sewer disposal plants $40,000 was appropriated for 1930 and seven men were employed. For 1931, $20,000 appropriated and four employed.

For the township engineer's office the 1930 appropriation was $25,000 and the personnel, six men, including an engineer at $6,000. For 1931, the budget provides $6,000. Mr. Volcker serves as engineer for one dollar. The office has a personnel of four, including only one—Volcker's assistant—on regular annual salary basis.

For care of buildings and grounds—1930, $12,500, with five men; 1931, $8,250, with two men. Custodian, assistant janitor and assistant ground keeper dispensed with as superfluous.

In the police department a salary increase of $10,000, made mandatory by vote of the people, raised the appropriation only from $89,180 to $91,190, while many improvements in police work and methods have been introduced and the department equipped with four new cars with maintenance guarantee for one year. A system of complete record of all summonses has been established, preventing quashing; an accident spot map prepared, and a department of records and criminal identification put in operation.

The 1930 budget provided $50,700 for street lights, of which $46,000 was expended. The 1931 budget cuts this to $35,000. Reduction chiefly from lowering candle power, and further reduction probable.

Despite a mandatory increase in salaries of $3,400, the fire department budget was cut from $37,860 to $34,930 without impairing efficiency, and a course in first aid has been given. Fire hose for which previous administrations had been paying $1.20 a foot is now bought for 65 cents a foot.

Entrance examinations for both police and fire departments have been established on a civil service basis.

COST OF ADMINISTRATION REDUCED

While the township manager's salary of $7,500 has been added, the employment of a manager being mandatory, the general government cost including this has been cut from $52,000 to $48,151. This has been accomplished chiefly through reduction of legal costs and consolidation of functions and elimination of duplicated work in the financial departments. Combining the treasurer's and collector's offices, alone, saved $1,200. Rearrangement of telephone service saved another $600.

For 1,000 twelve-page budget circulars for 1930, the old township committee paid $275. The new administration for an identical job received an estimate from the same printers of $125.

All materials required are bought on bids.

These are some of the reasons why Teaneck feels that it is getting a dollar's worth for every dollar it pays in taxes—and that's all it wants. It is getting better governmental service at town hall, where all departments are open continuously from 9 to 5. Formerly there was a one-hour luncheon interval during which all departments were closed.

Additional advisory boards—medical, public safety, building code, charity—comprised of citizens of highest standing and ability and representing every shade of politics and creed, serving the township without compensation, are studying the township's needs in their respective fields.

The state board of municipal finance, employed as auditors, is putting the township's accounts in shape and correcting the errors and oversights that had accumulated for years under auditors employed on a political basis.

Executive sessions have been abolished and all conferences and sessions of the council opened to the public.

Surplus on hand in depositories paying one per cent is being used to buy outstanding bonds drawing 4½ to 6 per cent, saving the difference to the township.

Inequalities of assessment are being studied with the coöperation of the state board of assessors. The board of three assessors has been abolished in favor of a single assessor, with payroll reduction of $2,000 a year.

Old improvement assessment matters and legal problems, some of which had been hanging fire for years, are being cleared up.

Investigation of poor relief cases and revision of poor relief orders have been established.

Tax bills of 1931 show on their face distribution of the tax dollar for various purposes, with comparative figures for 1930 and 1931.

The budget appropriation for the township's share of improvement assessments and deficiencies for 1931 is $18,500 greater than for 1930.

Collections so far exceed anticipation estimates.

The senior high school class, in groups, has been given a course of instruction in the operation of the township government.

On July 4, a free playground for small children, with a wading pool and standard playground equipment, was dedicated with appropriate ceremony.

COUNCILMEN NOT POLITICIANS

Teaneck's councilmen feel that they are beginning to learn their job; but they are keeping right on studying it—developing plans for future constructive work to further improve conditions. They are not politicians. The mayor, elected as such by his fellow councilmen, is Karl D. Van Wagner, a sales executive. The others are Louis G. Morten, attorney; Samuel S. Paquin, newspaper man; Frederick T. Warner, engineer, architect and builder, and Walter Ely, railway executive.

They are the governing body of a township whose population increased from a little over 4,000 in 1920 to more than 16,000 in 1930, and where, with opening of the new bridge only a few months ahead, there is prospect that population may double in the next five years. They know their work is cut out for them—that the heaviest part of their task is still ahead. Their terms do not expire until May, 1934.

The Taxpayers' League maintains its organization as an active factor in the township's affairs, and stands back of the council it elected, and there is every indication that the new administration has more friends today, by far, than when it took office.

HOW ROCHESTER MANAGES ITS REAL ESTATE

BY WARREN W. ALLEN

Agent in Charge of Real Estate, Rochester, N. Y.

With the advent of city manager government Rochester adopted business methods in purchasing and managing municipal real estate. :: ::

Public ownership and municipal regulation of real estate are essential to the very life of a community. Yet, in most cities of the United States there is an exceedingly limited acquaintance with either the method and cost of acquisition, or the breadth and scope of the "demesne." Educational, recreational and administrative needs are more or less in the public eye. Municipal acquisition for the opening, extension and widening of streets, public squares and parkways, which is the determining factor of city planning in its relation to civic progress, the appropriation of rights and easements, and the sale and rental of excess property are problems of city government, which, until of late years, have been objects of indifference.

The breaking away from this indifference and the need for the creation of constructive and scientific effort came to Rochester, like so many other American cities with the advent of improved and more involved city planning. The final development of city building is primarily a question of the acquisition of land at reasonable cost. The mass of obstacles encountered to this end has compelled ever increasing administrative pressure of the highest kind.

Rochester, in 1927, had no centralization of real estate activities. The department of public works which was charged with the handling of property, was located in one building, the legal department in another, deeds and records were yet in a third office. There was no concentration of effort. As a result, the city manager, upon taking office January 1, 1928, was faced with the problem presented by 98 old authorization purchase ordinances, originally involving the acquisition of 658 parcels of real estate, 389 of which had been purchased at a cost of over four million dollars, plus the large amount of accruing interest. The passage of some of these ordinances dated back ten, twelve, and fifteen years with purchases stringing along yearly. The problem of completing these ordinances with all possible speed in order that the improvement cost might be assessed and interest stopped, brought immediately the equally important task of securing the balance of the property at reasonable cost and selling the excess. At the same time it was necessary to start a large volume of new work.

INVENTORY THE FIRST STEP

The real estate division was formed immediately as a division in the department of finance. A complete inventory of all city-owned property numbering over 1000 parcels and all ordinances pertaining to real estate was made for the first time in the history of the city. Each parcel was given a separate index card prepared for the purpose. Description, consideration, date, for what purpose, and from whom and by what authority acquired, together with the income derived and disposal, if any, with the authority and approval ordinances and general history of each property was shown. This index has become permanent.

All matters pertaining to city real estate were at once centralized—besides the perpetual inventory, the office keeps a record of all condemnation awards, insurance policies, foreclosure actions, references to deed and abstract filings and complete negotiation history of all purchase and sale authorization ordinances. Excess property, which was formerly leased through an outside broker, who received a commission from the city for this service, was taken over and completely handled by the newly formed division.

As a result of this effort, the division since 1928 has negotiated the purchase of 312 parcels of property at a total cost of $1,972,183.34. Eight condemnation proceedings involving 40 properties with awards totaling $93,288.06 have been completed, 142 parcels of excess land have been sold and over $100,000 in receipts have been collected from 58 rental accounts, which are properties held for future improvements.

The most important function of this office, however, is the acquisition of property. For many years the purchase of real estate by many municipalities has been carried on in an unscientific manner, with too little attention given to fact. This has particularly been true in the case of condemnation procedure.

ACQUISITION PROCEDURE IN ROCHESTER

The real estate division is constantly collecting data on the transfer of property throughout the entire city. Immediately upon the passage of an authorization purchase ordinance, the director of design and construction furnishes the real estate division with a map upon which is located all of the property involved in the improvement. If the division has in its possession records of legitimate sales of property in the locality of the proposed acquisition they are used as a working basis for an appraisal. If not, it is the duty of the office to go into the field and secure such a record. These are procured in various ways. Either the grantee or grantor or both are approached. We have found, however, that as the grantor's interest in the property has ceased, the probability of securing this information from him is more likely. For prior transfers this information comes from deed stamps in the county clerk's office. Brokers who have handled the transactions in question are also helpful. Armed with these facts a market value appraisal is made. To check the division's appraisal, we then secure an appraisal of the property from the Rochester Real Estate Board. The percentage of condemnation cases in Rochester is low. This, to a large extent is due to the prestige which the Real Estate Board has been able to build up with real estate owners in the city. The ultimate objective, of course, is the elimination as far as possible of condemnation proceedings. If negotiations fail, however, we are well fortified through our witnesses to present a strong case.

CONDEMNATION

In condemnation proceedings of the past it has been the custom for the owners to attempt to establish values far in excess of the market value. Municipalities, on the other hand, have attempted to secure properties at an exceedingly low figure, and in so doing have paid too little attention to what the "real value" actually was. The outcome of this condition and the lack of scientific information has left condemnation commissions in somewhat of a dilemma with the result that the amount awarded was oftentimes the "common mean" between what the city was willing to pay and the figure originally set for the property by the owner.

In Rochester, condemnation awards prior to 1928, generally speaking, were so out of proportion to the real value of the property that the city used condemnation only as a last resort. The city made (and still does) application to a court for the appointment of three commissioners to hear the evidence, view the property and fix the award. A separate commission is appointed for each project. The resulting awards are influenced by several factors: (1) the political complexion and inexperience of the tribunal as appointed, (2) the extravagant claims of the experts testifying for the owners and (3) the ineffectiveness of the city's presentation of its case, both in preparation and in sufficiency of competent testimony. Commissioners are paid by the city on a per diem basis which is the same rate whether the commission sits a full day or meets only to adjourn.

Many of the larger condemnation cases have taken a year or more for completion of hearings. Interest charges have accumulated meanwhile on the purchase price of properties already acquired, and general delay results in the assessment of benefits. A study is now being made of the first of the above mentioned causes. We believe in an amendment to our law which would provide for the establishment of a permanent non-political commission composed of technical men, who are conversant with values and condemnation law. This commission could be appointed by the courts and should be afforded every possible dignity.

The Rochester Civic Improvement Association, a body of public spirited citizens interested in an orderly development of the city plan now being completed by Bartholomew and Associates of St. Louis and the Chamber of Commerce have signified their interest in this change.

The third cause of large awards, the ineffectiveness of the city's presentation of the case, has been remedied and in so doing has, to a large degree, discouraged the second of the above causes, the extravagant claims of the owner's witnesses. To secure fair awards it is most essential to have the very best legal talent available who, aided by well-prepared, high quality witnesses and a mass of legitimate testimony, must with success not only legally combat a well-rounded assortment of attorneys, but also be versed in structural, land value and general real estate terms and conditions. In 1930, the city manager secured such a special counsel who devotes his time to condemnation proceedings. This counsel, who works in close coöperation and harmony with the real estate division where the testimony is prepared, is also studying the possible change of condemnation law mentioned above.

DELAY BEING ELIMINATED

While we feel that progress has been made in the acquisition and handling of real estate in Rochester, much is still to be accomplished. We are anxious to eliminate the delay in spreading or assessing the cost of an improvement.

The three main causes for such delay are: (1) Lack of administrative effort; (2) The taking of excess land; (3) Condemnation procedure. The first of these causes has been remedied somewhat by our centralized concentration.

The corporation counsel has assigned extra attorneys for the examination of title and closing transactions. The second cause, the taking of excess properties, came from the theory of acquiring more land than actually needed and then selling to help pay the original cost. Frankly, the city has held the "bag" in every case. The cost of the improvement, of course, cannot be spread until every parcel has been sold. We now have title to 95 parcels taken as excess in connection with 18 improvement ordinances. These unsold parcels have a total assessed value of $369,030, and many have been carried for years. It is, therefore, naturally felt that this problem presents great opportunity for improvement. The third cause of delay, condemnation, has already been spoken of.

THE BUFFALO PUBLIC SCHOOL SURVEY

BY HARRY H. FREEMAN

Director, Buffalo Municipal Research Bureau

A sweeping survey recommends abolition of Buffalo's dual system of school control and points the way to many new economies. :: ::

THE management of the schools of Buffalo is under the control of a board of education consisting of five members appointed from the city at large by the mayor, such appointment being subject to confirmation by the council. The board of education must submit its annual estimates to the mayor and council and these officials in turn must make provision in the annual budget for the maintenance and operating expenses of the schools. Such appropriation, however, is made in a lump sum for the council has no authority to determine or fix the details of the educational budget. In addition the council must provide the money through bond issues for the purchase of new school sites and the construction and equipping of new school buildings.

Our experience with this dual system of control has resulted in an annual debate—to use a term inadequately descriptive—over the appropriation to be allowed the board of education. A condition in which an appointed school board must beg or bully the council for its funds, and having obtained them is responsible to no one for what it does with them, is certainly not good organization nor conducive to an harmonious relationship. It has been at the root of the disputes which have been so frequent and so bitter in Buffalo over educational matters.

THE 1930 CONTROVERSY

The debate, in January, 1930, differed from those of previous years both in the subject matter of the argument and in the line-up of the debating teams. In the past, the question had always been the size of the appropriation; in 1930, it was the educational use to which the appropriation, whatever it was, should be put. Usually the line-up of the contestants had been the board of education versus the city council; it turned out to be, in January, 1930, the board of education versus the professional educators and their lay supporters. Because the board of education determined at that time to make drastic cuts in the estimates for the 1930–31 educational budget as submitted by the superintendent of schools before transmitting them to the mayor and council, the board found itself for once affiliated with its old enemies, the mayor and council, and in opposition to its former allies, the teachers and their friends. The ire of the latter group was particularly marked because of their contention that the board had made its cuts without consulting the superintendent with the unfortunate result, in their opinion, of impairing seriously the well established educational program.

THE REQUEST FOR A SURVEY

In response to repeated editorials in the local press and at the suggestion of many prominent citizens, the board of education on February 11, 1930, adopted a resolution requesting the Buffalo Municipal Research Bureau "to conduct a survey of all departments of the board of education and submit a report of its findings to this board and requesting that the part of the survey which deals with the educational service of the board of education be conducted by the most competent educator or educators available to be selected by the Municipal Research Bureau."

Even if this resolution had not been passed by the board of education at that time, a survey of the schools of Buffalo was inevitable sooner or later. Rightly or wrongly there was widely prevalent in the public mind the feeling that the schools were being administered extravagantly, and that the educational idea, sound in itself, had been carried to unreasonable lengths and unless put within bounds, would soon threaten the financial stability of the city government.

ORGANIZATION FOR THE SURVEY

The proposed survey was by far the biggest piece of work the Buffalo bureau had ever been asked to do. The cost of the survey would unquestionably exceed considerably any sum which could be spared from the current budget of the bureau; the permanent bureau staff was small in number and was not trained to deal with the purely educational questions, which, with other questions, would have to be studied. Before committing itself, therefore, the ways and means of meeting both these difficulties had to be determined.

The bureau, however, immediately began to lay tentative plans for doing the work; its director visited a number of other cities to confer with authorities on such surveys and with such persons as it might be desirable to retain as consultants. Financial plans were devised, and on April 8, 1930, the board of directors of the bureau formally voted to accept the invitation, and the board of education was so informed.

The bureau had been fortunate in being able to arrange with United States Commissioner of Education William John Cooper to have the staff of the United States office of education survey the "educational service" of the Buffalo schools, while the staff of the local research bureau would study the more strictly "business" affairs of the school system. Both parties to the survey supplemented their own staffs with outside consultants. The field work was begun in April and continued until late in November, though it was interrupted somewhat by the summer vacation period.

The complete survey report exceeded 500 pages, and was published in two volumes, containing not only the text but a great number and variety of tables, charts, diagrams and illustrations.

THE SURVEY RECOMMENDATIONS

Obviously it would be impossible to cover in a short article such as this, the many interesting features discussed at more or less length in the twenty-one chapters of the two volume report. A mere summary lists 214 separate findings and 192 specific recommendations.

A few of the major recommendations were:

1. That Buffalo consider the advisability of electing its board of education.
2. That the board of education be given complete fiscal independence.
3. That Buffalo adopt the junior high school system, it being the only city in the United States with a population of a half million or over that does not have junior high schools.
4. That there be a five-year "holiday" in school building construction.
5. That the study-hall plan in the high schools be modified to retain only study rooms enough to accommodate pupils who, at a given time, are not in class-rooms. This would permit the subdivision of many of the present large study halls into class-rooms, thus adding greater capacity to the buildings.
6. That the board of education adopt as a policy the building of an E type of elementary school instead of the present block with enclosed court, the E type being more economical to build, easier to enlarge and better adapted for educational use.
7. That the accounting system and budget procedure of the department be entirely revised.
8. That the cafeterias in the elementary schools be put on a self-supporting basis, thus eliminating an annual deficit of $90,000.
9. That the board of education study the cost of operation and maintenance of both elementary and high schools with a view to reducing present high costs to a basis comparable with other cities. The survey indicated a possible saving of over $400,000 annually by so doing.
10. That a bureau of research be established within the department.

CONCLUSIONS

In making this survey of the Buffalo public schools, the Buffalo Municipal Research Bureau at no time lost sight of the fact that the task involved a deep responsibility upon its part not only to the educational authorities, but, as well, to the taxpayers of the city and to all those citizens who enjoy the service rendered by the public schools of Buffalo. The spirit of the survey was purely one of helpfulness. It was not the aim of the bureau to tear down but rather to build up. The general objective of the survey was to determine where economies could be made which would still not prevent those attending the public schools of Buffalo from obtaining a sound, modern education comparable with what can be obtained in other cities in Buffalo's class.

At the conclusion of the survey, the Buffalo *Evening News* said editorially:

> The Municipal Research Bureau has done well the work to which it was called by the Board of Education. The survey has covered every phase of the educational plan, the scholastic as well as the administrative side. The report has given the people a better insight into the operations of the department than they ever had before. All features of the plan have been weighed and measured, with adverse criticism here and generous commendation there.

MUNICIPAL DEBT LIMITS AND THE FINANCING OF PUBLICLY OWNED UTILITIES

BY LAWRENCE L. DURISCH

University of Nebraska

The attitude of the courts towards various devices for evading debt limits with respect to publicly owned utilities. :: :: :: :: ::

In connection with the constitutional and statutory debt limitations placed upon American cities, the question has arisen as to whether obligations incurred for the purchase or repair of municipally owned utilities are "municipal debts" within the meaning of these provisions. Thus in case a city has incurred debts up to the amount permitted by the constitutional or statutory provisions, will an obligation be considered void, even though incurred for the purchase or repair of a revenue producing utility? With the tendency toward the extension of municipal ownership this question has assumed increased importance as is shown by the frequency with which it has been presented to the courts in recent years.

A study of these cases indicates, not only that the courts of the various states are not in agreement as to what constitutes a municipal debt, but also that various methods are being used by the cities in attempts to use utility earnings to escape such limitations. With the tendency towards an increase in the proprietary functions of cities, a brief survey of these efforts to escape debt limitations and the attitude of the courts towards such devices may well be made.

SPECIAL UTILITY DISTRICTS

The oldest method of taking the municipally owned utilities out of the scope of constitutional debt limitations is to form, with the coöperation of the state legislature, special utility districts superimposed upon the territory of the city. Such districts then contract in their own corporate capacity, and while the contracts may be for the benefit of people residing in the city, they become obligated in a different capacity than as the municipal corporation. It is well settled that the debts of the city and the debts of the district will not be aggregated in determining the borrowing capacity of either of them.[1] The formation of special districts often requires special legislation or special referendums, and is of little use in meeting emergencies. Not finding it convenient to create special districts, many cities have attempted to increase their capacity to contract obligations by having repayment made out of funds earned by municipally owned and operated utilities.

In order to use utility earnings as a means of evading debt limitations, the city may make use of a lease plus an option to purchase; a conditional sales contract; or of a bond issue payable out of the future earnings of the utility.

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[1] Recent cases on the subject of obligations of special districts as a city indebtedness: *City of Dawson* v. *Bolton,* 166 Ga. 232, 143 S. E. 119 (1928); *State* v. *Curtis* (Mo.), 4 S. W. (2nd) 467 (1928); *Shelton* v. *City of Los Angeles* (Cal.), 275 P. 421 (1929).

If bonds are issued they are sometimes secured only by a pledge of future earnings, in other cases additional security is provided by a mortgage lien on the utility plant.

LEASES AS A MEANS OF EVASION

In the past, many cities have tried unsuccessfully to use the lease plus an option to purchase as a means of acquiring property in excess of their debt limit. In resulting litigation the courts have usually gone back of the evasion and disclosed the transaction as in fact a purchase.[1] The result of declaring the transaction a purchase has been to hold that the city had contracted an indebtedness for the full amount from the date of the execution of the lease.[2]

A recent Kentucky case involved an agreement made by the city of Corbin by which the city leased, with the option of purchase for one dollar at the end of the period of the lease, certain equipment for its light and water plant. The terms of the lease called for payment from the light and water revenues. The Kentucky Court of Appeals held that although the lease was in fact a purchase, it did not add to the indebtedness of the city because there was no obligation running against the city or against property owned by the city. In case of default all that could happen under such an arrangement would be the removal of the machinery by the company, which would also retain the rentals already paid. According to the court, the constitutional provision was for the purpose of protecting the property and general funds of the city, and it was not intended to cover cases where no general liability was assumed and where payment was to be made out of a special fund.[3] The case was thus distinguished from *Jones* v. *Rutherford*, decided by the same court the preceding year, in which the lease plus an option to purchase continued the general promise of the city to fulfill the terms of the lease. Since a general obligation was created, the lease was held to constitute a present indebtedness in violation of the constitutional limitation.[4]

The case of *Jones* v. *City of Corbin* introduces the distinguishing element of having the terms of the lease provide that it does not create a general liability against the city, but only a claim on the special funds produced by the leased property. While, as will be seen later, the same property could have been acquired by purchase under similar terms, the lease holds certain advantages over the purchase price mortgage if the city fails to fulfill its obligations.[5] The ostensible lessor, would in most cases, prefer the lease to a sale, and the method seems to hold great possibilities as a legal way of evading city debt limitations.

CONDITIONAL SALES CONTRACTS

The conditional sales contract has very recently been employed as a means of allowing cities to use the proceeds of their utility plants for the purchase of new equipment without creating an "indebtedness." In this form of contract, legal title remains in the seller until the final installment is paid. Payment is made from the revenue of the plant and no general liability against the city is created.

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[1] E. McQuillin, *Municipal Corporations*, S. 2399 (1928).

[2] *Baltimore & O. S. W. R. Co.* v. *People*, 200 Ill. 541, 66 N. E. 148 (1927).

[3] *Jones* v. *City of Corbin* (Ky.), 13 S. W. (2nd) 1013 (1929). See also: *City of Bowling Green* v. *Kirby*, 220 Ky. 839, 295 S. W. 1004 (1927).

[4] *Jones* v. *Rutherford* (Ky.), 10 S. W. (2nd) 296 (1928).

[5] The process of re-possessing the property in case of default would, of course, be much easier under a mere lease agreement.

This form of contract was the subject of litigation in the states of Nebraska, Iowa, North Dakota, and Utah during 1929 and 1930.[1] The facts in the cases were similar: the city purchased, by a conditional sales agreement, utility equipment from Fairbanks, Morse and Company, which if construed to be an "indebtedness," would be beyond the city's power to contract. Payment was to be made from the revenues of the utility, and the company disclaimed the existence of a general obligation against the city.

The North Dakota contract provided that the city should construct the building and a distribution system and that Fairbanks, Morse and Company should furnish the equipment for an electric generating plant. The Supreme Court of the state declared: "Fairbanks, Morse and Company is so certain that an electric generating and distribution system under city control can be satisfactorily and profitably operated that they will furnish the necessary equipment and rely only on the net profits for payment and in case of default dispose of the equipment under rules regarding conditional sales agreements."[2] The court pointed out that under such an arrangement the city could hardly be injured by the transaction.

The courts in deciding the cases involving conditional sales agreements, emphasized the fact that the contracts were made in pursuance of the proprietary business of the city and ruled that a liberal construction of the city's powers in this regard must be made. The cases turned on the point that a conditional sales contract could not create a debt for which a legal action would lie. The constitutional limitations were held to apply only to general obligations for which the courts would hold the city liable, and in the absence of such a legal liability a debt was not created by a conditional sales contract payable only out of utility earnings.

MEANING OF "MUNICIPAL DEBT" RESTRICTED

In order to hold that a conditional sales contract did not constitute a present indebtedness it was necessary to give a restricted meaning to the term "municipal debt." The courts were able to find ample authority for such a holding, the rule being well stated by the Supreme Court of Iowa: "A careful examination of the decisions discloses the fact that in substantially every jurisdiction the word 'debt or indebtedness' as used in the limitation placed upon municipal power, is given a meaning less broad and comprehensive than it bears in general usage."[3]

The willingness of one of the leading utility supply companies to enter into a conditional sales contract points out to the hard-pressed cities a method of obtaining equipment for their proprietary enterprises without adding to their "indebtedness." The conditional sales agreement is the latest, and to date the most successful method of evading the debt limit provisions in the purchase of equipment for the municipally owned utility.

BONDS SECURED BY MUNICIPAL UTILITIES

Sometimes money, rather than repairs or replacements, is desired, and a bond issue becomes necessary. In order to evade the debt limit, the income from a municipally owned utility is pledged to pay off the bonds as they mature.

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[1] *Carr* v. *Fenstermacher* (Nebr.), 228 N. W. 114 (1930); *Johnson* v. *City of Stuart* (Iowa), 226 N. W. 164 (1929); *Barnes* v. *Lehi City* (Utah), 279 P. 878 (1929); *Lang* v. *City of Cavalier* (N.D.), 228 P. 819 (1930).

[2] *Lang* v. *City of Cavalier, supra,* note 7.

[3] *Swanson* v. *City of Ottumwa,* 118 Iowa 170, 91 N. W. 1051. Cited in *Barnes* v. *Lehi City, supra,* note 7. See also 17 C. J. 1371.

Many cities have issued bonds in order to obtain the purchase price of a municipal utility plant. The bonds may be secured by a mortgage on the property acquired and made payable from revenues derived from the operation of the plant. The rule in such cases has been stated by a leading authority as follows: "A municipality does not create an indebtedness by obtaining property to be paid for wholly out of the income of the property."[1] This rule has been very generally followed.[2] The city acquires no obligation other than to pay over the net revenues of the utility, and such an obligation is not within the scope of the debt limit provision.

The case of *Klein* v. *City of Louisville* presented this question to the Kentucky Court of Appeals, in connection with an issue of bonds for the purpose of erecting a toll bridge. The bonds, payable from the revenues of the bridge, were unsecured either by a general obligation against the city or by a lien on the bridge. The novel argument that even if the city did not become legally indebted, its good faith would be impugned if there was a default on the bonds, was presented to the court as a reason for applying the debt limit provisions of the city to the transaction. The court, however, refused to accept this plea, and held that no purchaser of the bonds could labor under any misapprehension as to the liability of the city, since the bonds themselves specifically declared that payment would be made from the special fund only.[3]

On the other hand, if the purchase price is secured by a mortgage on property not obtained by the transaction, but on property which was already owned by the city, the Supreme Court of Illinois has held that an "indebtedness" within the purview of the constitutional limitations has been created.[4] The Illinois court has also stated that a debt would be created where the obligation was not secured by a mortgage, but where holders of certificates would have the right to take and appropriate a preëxisting income of the city for their payment.[5] The same court has pointed out that all obligations are in fact payable out of some fund and that it is immaterial that the obligation is payable out of a special fund if the city is the owner of that fund.[6]

A recent Colorado case, however, allowed a city to pledge the income from its light system for the payment of bonds without creating a "debt." The court held that, as the existing plant was not mortgaged, a mere pledge of its net earnings could not be sufficient to create a "debt," within the meaning of the constitutional restrictions.[7]

The Idaho case of *Feil* v. *Coeur D'Alene* held that the city could not obtain a light plant without creating an "indebtedness" if the revenues were pledged for more than one year. Such a pledge of future earnings, even though there was no mortgage against the plant or no general obligation against the city, constituted a debt within the meaning of the Idaho constitution.[1] In Pennsylvania it has been held that a borough could not obtain a water and light plant to be paid for solely out of earnings of the plant, payment to be secured by a mortgage on the acquired property, without creating an indebtedness. The court pointed out that, while it might be argued that the borough assumed no liability and could not be injured by the transaction, it could lose the purchased property, any money paid out under the contract, and any improvements it might have made on the property. "To rule that such a transaction did not add to the indebtedness of the borough," declared the court, "would annul the constitutional restriction on improvidence and remove the chief safeguard against municipal profligacy.[2]

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[1] E. McQuillin, *op. cit.*, S. 2389.

[2] *Larimer Com'rs* v. *Fort Collins*, 68 Colo. 364, 189 Pac. 929 (1923); *Evans* v. *Holman*, 244 Ill. 596, 91 N. E. 723 (1910); *Butler* v. *Ashland*, 113 Ore. 174, 232 Pac. 655 (1925); *Winston* v. *City of Spokane*, 12 Wash. 524, 41, P. 88 (1895); *Dean* v. *Walla Walla*, 48 Wash. 75, 92 P. 895 (1907). See also: 44 Corpus Juris, S. 4064.

[3] *Klein* v. *City of Louisville*, 224 Ky. 624, 6 S. W. (2nd) 1104 (1928).

[4] *Leonard* v. *City of Metropolis*, 278 Ill. 287, 115 N. E. 8131 (1917).

[5] *City of Joliet* v. *Alexander*, 194 Ill. 457, 62 N. E. 861 (1902).

[6] *People* v. *Chicago, etc. R. R.*, 253 Ill. 191, 97 N. E. 310 (1911).

[7] *Searle* v. *Town of Haxtum* (Colo.), 271 P. 629 (1928).

FUTURE OF MUNICIPAL OWNERSHIP INVOLVED

The frequency with which the question of the pledging of utility earnings, in order to increase a city's ability to contract obligations, has been presented to the courts in the last few years shows that the problem is of great and present importance. An examination of recent cases discloses the appearance before the court of a number of attorneys as *amici curiæ*, including representatives of the state leagues of municipalities. Private and public utility interests have recognized that the future of municipal ownership will be vitally affected by the construction the courts place upon city debt limit provisions.

The cases holding that obligations payable out of special funds are part of a city's "indebtedness," although in the minority, seem to be supported by sound legal reasoning. The holding is based largely on the theory that the governing fact is that the city is, or will be, the owner of the fund which is to be appropriated for paying the obligation. Even if the improvement is not paid for out of tax money, the general funds of the city will be used for purposes for which the special fund might have been used. In other words, the total obligations of the city are increased, regardless of whether payment is to be made from the general or a special fund. It is plain that there is considerable logic in making the ownership of the fund the controlling factor.

Cases holding the contrary view are best justified in the light of the principle of non-interference with the proprietary business of the city wherever possible. In order that an efficient conduct of the municipal enterprises be secured, there must be a minimum of interference. Public interest demands that the utilities do not cease to operate for lack of repairs or because of an inadequate plant. No matter how unwise the city may have been in acquiring debts up to the limit of its capacity, the courts in a majority of states will aid the city in escaping the consequences where their proprietary businesses are concerned. Relief has been obtained in some cases by the formation of special districts which are not subject to the debt limitation of the city, in other cases by acquiring obligations to be paid out of special funds. As municipally owned utilities increase in number and importance, there will no doubt be a greater tendency to use the earnings of these utilities as a means of increasing the borrowing capacity of the cities.

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[1] *Feil* v. *Coeur D'Alene*, 23 Ida. 32, 129 Pac. 643 (1913.)

[2] *Lesser* v. *Warren*, 237 Pa. St. 501, 85 Stl. 839 (1912).

The extent to which the courts will go in ruling that such obligations do not increase a city's "indebtedness" shows a recognition of the impracticability of fixed or rigid debt limits in connection with the proprietary enterprises of the city. Although it may be dangerous to allow officials to pledge the future earnings of municipally-owned utilities without restraint, it is more dangerous to leave a city without certain essential services because of a strict application of debt limit provisions.

THE MASSACHUSETTS BILLBOARD CASES

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The master appointed by the Supreme Court of Massachusetts makes his report—a victory for foes of the billboard. :: :: :: ::

HEARINGS in the fifteen billboard cases, involving twenty-three complainants, consolidated into a single proceeding before the Supreme Court of Massachusetts and referred by it to Frank H. Stewart, Esq., as master, to take evidence and report back to the court, began August 16, 1926. The taking of oral testimony, proceeding on more than 100 days, was concluded on August 16, 1929. Thereafter the master spent five days in traveling 1,000 miles with counsel in order to take a view of the boards. On June 2, 1931, he filed his report.

Briefly summarized, the master finds, among other things, that the rural billboard is a distraction as well as an obstruction to vision, and therefore a menace to traffic; that in residential neighborhoods such commercial intrusions as signs and billboards are offensive and obnoxious to reasonable persons, and seriously depreciate property values; that such intrusions are damaging to places which are frequented by the public chiefly on account of their beauty or historic interest; that such intrusions are damaging to the public welfare by reason of their damage to the scenery and to the amenity of places and to property values; that the restrictions and regulations framed by the Massachusetts division of highways, acting under the police power of the state, were framed with these considerations in view and are reasonable in themselves; that in so far as æsthetic elements have entered into such restrictions and regulations, they have "a real and economic value to the Commonwealth and to its citizens"; and that such restrictions and regulations may reasonably be applied to existing boards not conforming to the later and more restrictive regulations, although it means that a large proportion of existing boards must be moved.

The master summarizes the outdoor advertising situation in these words:

> There is a widespread dislike for signs, billboards and other outdoor advertising devices not only in this Commonwealth but throughout the country. The chief grounds for this dislike are that they are unsightly in appearance, and offend the sense of sight in the same manner as other objectionable things offend the senses of

hearing and smelling; that they disfigure or mar landscapes; that they intrude commercialism into, and injuriously affect, places of residence, natural beauty and historic interest; and that they create traffic hazards. It appeared in evidence that in every state in the Union there is some statute, ordinance or other form of regulation dealing directly or indirectly with outdoor advertising.

The report states that the stenographic record consists of more than 9,000 pages; that more than 4,200 exhibits were received; that the written and printed requests for special findings of fact numbered more than 1,800; and that he had also considered 650 pages of briefs submitted by counsel. These figures will indicate the thoroughness with which the case has been prosecuted, and will suggest that when the court comes to a consideration of this record, it may feel a natural reluctance to disturb the master's findings of fact.

The following extended summary of the master's report constitutes a fairly adequate review of the principal findings. The findings embrace a certain amount of statistical information relating to the outdoor advertising business in Massachusetts, as well as conclusions regarding the nature of and public attitude toward the business and the efforts to regulate it.

WHAT MASSACHUSETTS BILLBOARD REGULATIONS PRESCRIBE

1. The Massachusetts constitutional amendment of 1918, granting the power to regulate and restrict advertising in public places and on private property within public view, was adopted by a popular vote of more than two to one (193,925 to 84,127) and was the largest affirmative vote cast upon any of nineteen amendments. By chapter 545 of the Acts of 1920 the Massachusetts legislature delegated to the division of highways of the department of public works the authority to control and restrict billboards, signs and other advertising devices. The original regulations by the three commissioners constituting the division of highways in the department of public works were promulgated in December, 1920. Six months later a new set of rules were promulgated on July 1, 1921. On January 24, 1924, the present rules (claimed by the billboard industry to be confiscatory and unconstitutional) were promulgated.

Among the restrictions laid down by the Massachusetts commissioners are the following: That no board shall be erected within 300 feet of any public park or reservation (subject to exception, under special restrictions, in the case of electrical signs erected on buildings); or within 50 feet of the boundary line of any highway or within 50 feet of another board unless they are placed back to back (subject to exception in business districts); or within a radius of 150 feet of the point where the center lines of two or more public ways intersect (subject to exception in business districts); or "near certain public ways where, in the opinion of the division, having regard to the health and safety of the public, the danger of fire, and the unusual scenic beauty of the territory, signs would be particularly harmful to the public welfare"; or in any block where half of the buildings on both sides of the street are used exclusively for residential purposes (subject to exception on consent of the owners of a majority of the frontage); or where the visibility of other signs is obstructed; nor may any sign be painted directly upon the wall of any building. The original regulations of 1924 provided further that, except in business districts, signs containing more than 32 square feet must be set back at least 100 feet from the street or highway line; if over 25 feet long by 12 feet high (the standard size of the poster board of the organized industry) they must be set back at least 300 feet; and no boards may exceed 50 x 12 feet, except that boards 40 x 15 feet may be permitted if set back 300 feet. Subsequently, this limit on maximum size was applied to business districts also. (These restrictions are very mild. They permit the standard poster board, 25 x 12 feet, to come within 100 feet of the highway anywhere, and nearer in business districts.) There is also a general provision that "all billboards, signs or other advertising devices shall be of such dimensions and material as the Division may prescribe."

EXTENT OF INTERESTS INVOLVED

2. On January 1, 1924, the complainants (the organized billboard companies involved in the suits) had 9,125 outdoor advertising signs of all kinds, with lands, leases, permits, supplies, repair shops, offices, etc., in Massachusetts. The estimated market value of the entire property was $5,000,000. The gross annual rentals paid by the complainants for locations for their boards amounted to about $250,000. (For 9,125 boards this would average $27.40 per board, running from whatever rental is paid for the privilege of erecting the $35,000 Chevrolet sign overlooking the State House and Boston Common, and the other city locations for which large sums are paid, down to the few dollars per year paid to the farmer.) The number of boards maintained by others than the complainants, but similar in character, was about 4,000. The total number of signs and boards of all descriptions was about 117,000. About 85 per cent of all signs advertised goods or products sold on the premises and were without permit (none required). The business of the complainants is preponderantly poster-boards. Posters are of three standard sizes, 4 x 8 feet, 10 x 11 feet, and 20 x 9 feet. The latter are placed on the standard boards 25 x 12 feet.

3. When the present regulations were adopted by the commissioners, 5,829 applications for permits were pending, the large majority of which did not comply with such new regulations and remained ungranted. Also between 75 per cent and 90 per cent of all then existing boards (which held permits under previous and more liberal regulations) did not conform to the new regulations and required removal or relocation under the new rules. This class included 96 per cent of the complainants' then existing boards. (This would seem to indicate that a higher percentage of "organized" than "unorganized" boards did not comply with the new restrictions deemed desirable by the commissioners.) The complainants claimed that the new regulations would destroy 80 per cent of the market value of their boards. None of this loss has in fact been suffered as yet, for the complainants have continued their boards without compliance with the newer regulations, in which course they have been protected by the injunction issued by the court. When the present (1924) regulations were adopted 52 persons, firms and corporations were licensed to engage in the outdoor advertising business, *i.e.*, the 23 complainants and 29 others. Some 400 others, not engaged in the outdoor advertising business, held licenses to erect and maintain boards carrying their own advertisements.

4. The new restrictions of January 24, 1924, moved in the direction of increased fees for permits, substitution of the criterion of scenic beauty for the prior designation of certain restricted highways (both groupings included many of the same highways), increased restrictions in residential districts, in-

creased set-back requirements, specific limitation on size, and the subjection of locations then under permit to the new rules. A certain leeway was given to boards complying with former regulations, but which did not conform to the newer regulations.

NEW RULES APPEAR REASONABLE

5. Since the new rules went into effect the complainants have taken out 1,400 permits which comply with the new rules. Of these, 900 were renewals of permits where old boards already complied with the new standards, and 500 were for new locations, likewise for conforming structures. The master finds that these conforming boards are in active demand and use, and afford an effective means of advertising. (This seems to be a complete answer to the claim that the new rules impose unreasonable restrictions in themselves. The only point would seem to be whether the state might require existing non-conforming structures to conform to the new rules.)

6. In answer to the last question the master finds "that under all the circumstances a readjustment of their signs, billboards and locations of the same *could be reasonably made* by all permittees to meet the requirements of the new rules and regulations." The complainants own about 7,700 non-conforming signs, some of which have never received any permits either under the former rules or under the new. (Of course, in any view, the latter class, whether few or many, are outlaw boards. They have never been legitimate.)

7. Since April, 1924, the commissioners have licensed no ground boards or signs over 50 x 12 feet or 40 x 15 feet (600 square feet) except electrical display signs, whether in business or non-business districts. Since June, 1924, the same limitation has been placed on roof signs (these all in business districts). Nor have they issued permits for boards within 50 feet of corners, even in business districts.

8. "The large majority of all the signs and billboards in the Commonwealth are erected and maintained without regard to standards of size or of safety in construction, locations of, or maintenance."

9. "The total number of original applications for permits filed between January 1, 1921, and December 1, 1928, were 16,094" (approximately 2,000 a year on the average, or about 40 a week). It is not clear whether or not renewals are included in the term "original applications." Of the permits issued since the new regulations were promulgated (January, 1924) 95 per cent have been in business districts and 5 per cent in districts of a non-business character.

BILLBOARDS AND PROPERTY VALUES

10. "It was agreed by counsel for all parties that signs and billboards when erected or maintained in districts of an indisputably business character have no depreciating effect on property values." (Unless qualified this seems to be an admission contrary to fact. It may be true if the boards are few. It is distinctly not true when they are numerous. Boards cheapen any district, because they look cheap. One need only contrast the values of that paradise of advertising, Broadway, New York, with the values of Fifth Avenue, where there are no boards. And yet the advertising on Broadway is the most expensive in the world, being for the most part electrical, with comparatively few cheap boards. An analogous situation is that of signs overhanging the sidewalk. Overhanging signs cheapen a street. The effect of a few might be unappreciable, but any general use of them indicates an inferior street.)

11. "I find that in a neighborhood of homes, such commercial intrusions as signs and billboards, when erected and maintained, are offensive to the sight, and obnoxious to ordinary reasonable persons, who may own or occupy those homes. Because of the serious aversion thereto, such signs and billboards substantially and materially annoy and disturb the occupants and interfere with the comfortable enjoyment of their homes. The introduction of signs and billboards into such a neighborhood tends seriously to injure, and depreciate, the value of the property there located.

"In urban districts of a mixed character, which are neither distinctively business nor distinctively residential, the effect of signs and billboards is rarely, if ever, seriously objectionable to the occupants of houses, or appreciably detrimental to property values." Perhaps this amounts to saying that in such districts the cheapening effect of boards, even where numerous, is lost in a general atmosphere of cheapness and that today the boards are accepted, without protest, as inevitable. Such mixed districts are (with rare, if any, exceptions) inferior to those either wholly business or wholly residential.

"In rural communities, when signs or billboards are located in proximity to homes not occupied by persons deriving revenue from such signs, I am unable to find upon the evidence that they are less obnoxious than in a community of homes elsewhere, regardless of whether or not such homes are occupied permanently by country folk, or by city dwellers who take up transient summer residences in such communities.

"In districts of a distinctively open or sparsely settled character, signs and billboards appear to have no appreciable adverse effect upon property values, except when in close proximity to, or in view of, residences not occupied by persons deriving revenue from such signs." (These comments by the master suggest that it might be an interesting experiment for someone to offer a prize to the person who could discover a billboard erected by a billboard man or a national advertiser in the neighborhood of his own home, even where it produces a revenue.)

BILLBOARDS AND LAW-BREAKING

12. "In some isolated cases, certain signs and billboards in this Commonwealth have been used as screens to commit nuisances, hide lawbreakers, and facilitate immoral practices. Around some few filth has been allowed to collect, and some have shut out light and air from dwelling places. In and around others, rubbish and combustible materials have been allowed to collect, which to some degree tends to create a fire hazard. Those instances were all so rare, compared with the total number of signs and billboards in existence, that I am unable to find upon the evidence that signs and billboards, in general, as erected and maintained in this Commonwealth, have screened nuisances, or created a danger to public health or morals, or facilitated immoral practices, or afforded a shelter for criminals, or created or increased the danger of fire, or hindered firemen in their work.

"The complainants maintain a system of regular inspection of their signs, billboards and locations, with a view to their proper maintenance, and to prevent and abate nuisances of all kinds in and about them. No advertising matter is permitted to be displayed upon complainants' signs or billboards which is obscene or offensive to public morals. The copy thereon is designed to be attractive, and aspires to some degree of artistic merit."

(Of course a design, delightful and

artistic when considered by itself, when enlarged and set up in the middle of a landscape to convey a purely commercial message, ceases to be either delightful or artistic. Its incongruity has become its dominant quality. As art it is merely contemptible. This is one reason why the public dislikes billboards.)

TRAFFIC MENACE

13. On the subject of traffic danger the report says: "The heavy increase of swiftly moving traffic upon the highways, and the steadily increasing number of fatal and other highway accidents, were matters of much concern to the commission, and were among their reasons for undertaking in 1923 the revision of the rules and regulations respecting outdoor advertising, in the interest of public safety. (The 1924 rules were the result of the 1923 study.) The records of the division also tend to show that a large number of motor accidents upon the highways are due to inattention, and the records of certain insurance companies in evidence noted accidents as due to that cause.

"As outdoor advertising is conducted in this Commonwealth at the present day by the complainants and others, it is chiefly designed to attract the attention of motorists and other travelers upon the highway. The commission believed that billboards and other advertising signs, as thus commonly placed within public view along the highway, were to a greater or less extent distracting, and were, therefore, traffic hazards. In the interest of public safety, the rules were accordingly designed to afford protection, especially in districts of a non-business character, to all travelers upon the highway, whether vehicular or pedestrian, by requiring that signs, billboards and other advertising devices be limited in size, and that they be set back from the line of the highway a distance which would not be beyond the clear normal vision of travelers generally. I find that such restrictions tend to promote public safety.

"In thickly congested districts, where signs and billboards are commonly most numerous, they compete for attention with so many other objects that they rarely, if ever, tend seriously to distract the attention of drivers of vehicles from the business of driving safely. Only in certain special locations, or where some spectacular sign or billboard, or one with other unusual features, presents a peculiar allurement to drivers, can it properly be said that they tend directly to affect the safety of travelers upon the highway. Passing from congested to sparsely settled or open sections, the element of distraction, if any, to the driver of a vehicle, depends upon the degree of allurement that any particular sign or billboard may normally present, either in or of itself, or because of its location. When located at or near curves, or at or near intersections of avenues of travel, or underpasses or bridges, signs or billboards tend to obstruct or obscure the view of the road ahead, or of curves and grades, or intersecting roads or railroad crossings, and tend to divert the attention of drivers of vehicles. The complainants and others, both before and since the adoption of the rules and regulations, erected and have maintained signs and billboards within public view in such locations. As there located, they tend directly to increase the danger to travelers upon the highways. When signs or billboards are so placed, upon other locations, that they may be seen and read, without unduly withdrawing the attention of a reasonably careful driver from the business of driving safely, the danger, if any, to travelers is much less."

Later, in connection with the Concord cases, the master said: "I find that the rules and regulations tend to promote public safety when they require that signs, billboards and other advertising devices be limited in size and set back from the line of the highway a distance which would not be beyond the clear normal vision of travelers generally."

(The master here concerns himself only with the direct distraction of the particular sign. He omits to comment upon either the direct interference of the particular sign with neighboring *official* signs (a very frequent interference on many highways) or upon the secondary effect of a multiplicity of signs—the indifference to all signs which that multiplicity breeds, a point which has led the commissioner of motor vehicles in Connecticut to favor the elimination even of many of the *official* highway traffic safety signs erected by the state, upon the ground that drivers become indifferent to important warnings when there are so many, important and unimportant.)

ÆSTHETICS

14. Æsthetic considerations were also taken into account: "The commission in framing the rules and regulations took into consideration the fact that within this Commonwealth are many sections of historic interest and importance, also many abounding in fine natural scenery and landscape views, including highways, parks and reservations, the benefits and enjoyment of which have been made available for and accessible to the public by the expenditure of many millions of dollars of public monies, either through the commission itself or by other public agencies; that these sections and locations naturally and constantly attract and interest many visitors from within and without the Commonwealth; that, as the commission believed, they had become a source of profit, as well as of pride, satisfaction and enjoyment to the citizens of the Commonwealth. The commission considered it important to preserve and maintain these places, in their popularity and naturalness, in the interest of public welfare. The commission also took into consideration the fact that throughout the cities and towns of the Commonwealth there had been manifest a determination to combine utility with beauty through comprehensive zoning laws, planning boards and other agencies, all having for their declared object the establishment and maintenance of areas which should be pleasant, agreeable, attractive and free from commercial intrusion. The commission considered that signs and billboards were inappropriate in regions, areas and communities where they disfigured, marred or injuriously affected the natural beauty of the landscape, or the pleasant or agreeable situation, prospect, view, or surroundings of places which are of interest chiefly by reason of their attractive or picturesque character, and in places which are frequented by the public chiefly on account of their beauty or historic interest, and in places where signs and billboards were likely to affect injuriously the enjoyment of the public. In framing regulations restricting signs and billboards in such sections, places and communities, it was the express intention and purpose of the commission to adapt them to these enumerated conditions and prevailing sentiments of the people in favor of increasing restriction, and in so far as the law would allow, to prevent these intrusions. Accordingly, section 4B (Exhibit F) prohibiting billboards, signs and advertising devices within 300 feet of any public park or reservation, if within view of any portion of the same, was adopted with

the purpose, so far as practicable, of keeping the situation and surroundings of public parks and reservations, including playgrounds, in harmony with the purposes for which such places were constructed and maintained, and to preserve or enhance their attractiveness, picturesque character and beauty, in the interest of public welfare as the commission viewed it. The commission likewise, and for the same reasons, adopted Section 6A making the factor of 'scenic beauty' in other locations an element in determining when a permit should be refused by them, being of the opinion that beauty in that sense had great economic value to the Commonwealth and to its citizens. . . . I find that beauty in the sense intended and employed in the framing and administration of said rules and regulations has, in fact, a real and substantial economic value to the Commonwealth, and to its citizens."

15. Certain of the regulations as to advertisements on fences, poles and walls were based in part on the purpose of exercising full supervision over the use of their permits by the holders and to "avoid legal entanglements which might arise if the advertising matter became permanently attached to the real property of third persons" (not holders of permits, but whose property the advertisements might become). "Also, this restriction was adopted in order to avoid the unsightliness and disfigurement of such advertising." (Æsthetics as an auxiliary factor.)

COMMISSIONERS HAVE ACTED REASONABLY

16. In framing the regulations of January 24, 1924, "the commissioners were exercising their best judgment in an attempt properly to perform the functions delegated to them by the legislature," *i.e.*, to conserve the public health, safety and welfare; and this was done after hearings upon the subject and after independent study. After stating the reasons of the commission for adopting certain specific regulations, the master continues: "I am unable to determine upon the evidence, with more particularity, the reasons which the commission had, at the time, for adopting the provisions of each of the other rules and regulations not hereinbefore specifically mentioned. I am satisfied, however, upon all the evidence that in framing those new rules and regulations, they took into consideration, and were influenced by, the many objections which had been made from time to time against signs, billboards and advertising devices, together with the facts and circumstances appearing in reported cases on outdoor advertising, especially the Cusack case, *supra* (*Thomas Cusack Co.* vs. *Chicago*, 242 U. S. 526) and cases there cited, as well as by their own observation, study and experience; and that they endeavored, by placing the special restrictions upon the size and location of signs and billboards as set out in these new rules and regulations, to lessen in this Commonwealth any detrimental effects of such structures and their uses upon the public safety, health and general welfare.

"The commissioners, in adopting and administering the rules and regulations, and also in acting upon applications for permits or renewals of permits thereunder, intended as a general policy to restrict signs, billboards and other advertising devices when within public view, chiefly but not exclusively to districts of a business character for the purpose of promoting the public safety, health, morals and general welfare as they in their judgment and discretion might determine the circumstances required. In practical operation, the rules and regulations were always applied impartially by the commission to all members of a class, and no favoritism, discrimination or special privileges were ever shown, granted or permitted."

SPECIFIC CASES

17. The New Bedford Hathaway case. After granting three permits to the Hathaway Advertising Company for larger roof signs in business districts than the size afterwards prescribed, the commissioners refused to grant a fourth permit and announced its rule limiting such signs to the same size as ground signs. The complainant complains of this change, and also of the refusal of the commissioners to issue renewal permits for the three signs which are now oversize. The master merely reports these facts for the decision of the court.

18. The Concord cases. All three cases involve boards legal when erected but which violate the 1924 regulations as to size and set-back. They all also violate the Concord town ordinance adopted after the erection of the boards. The cases differ only in respect of the reasons given by the commissioners for refusing renewal permits. In one case the commissioners based their refusal upon the fact that the board violated their new regulations. In the second case the refusal was based upon the fact that the board violated the Concord ordinance. In the third case no reason was stated. The permit was just refused.

With respect to these the master says: "Although I find that the rules and regulations tend to promote public safety when they require that signs, billboards and other advertising devices be limited in size and set-back from the line of the highway a distance which would not be beyond the clear normal vision of travelers generally, yet I am unable to find upon the evidence before me that either of these particular signs or billboards as located and maintained in the town of Concord tends seriously to affect the safety of travelers upon the highway, or unduly to withdraw the attention of a reasonably careful driver of vehicles from the business of driving safely. Nor can I find upon the evidence before me that these particular signs or billboards are appreciably detrimental to property values in the sections in which they are located."

(The master's report on the Concord cases wholly overlooks the same two points which he overlooks generally, as noted in 10 and 13 above; (1) the difference between a few signs and a multiplicity of signs, where a difference of degree becomes a difference of kind; and (2) the indirect effect of a multiplicity of signs, viz., an indifference to the message of all signs, including safety signs.)

19. The Chevrolet sign overlooking Boston Common. This roof sign is an electric sign 85 feet long and 65 feet high, erected at an original cost of $35,000, for which the Chevrolet Company pays $1,000 a month to the owner. Later the Chevrolet Company rented a single room in the building to be "used as a meeting place for salesmen and their prospective customers." (Obviously a rather thin effort to make the sign relate to business conducted on the premises.) The original erection was licensed by the commissioners. Upon expiration of the license renewal was refused. The sign is still up, protected by the injunction. The sign violates none of the commissioners' regulations except the subsequent regulation that roof signs shall not exceed ground signs in size. Its location is obviously offensive to many, and there have been many protests.

IN CONCLUSION

In view of the master's findings that the 1924 regulations are reasonable in themselves, and are framed for the purpose of protecting the health, safety and welfare of the public; that they do in fact promote that health, safety and welfare; and that a readjustment of non-conforming signs can be reasonably made to comply with the newer regulations, it would seem as if the Supreme Court of Massachusetts should sustain the regulations and their application to the billboard companies; in other words, that the court should dissolve the injunctions which now prevent the Massachusetts authorities from enforcing the 1924 regulations. This would seem to be a proper legal decision in any jurisdiction where like regulations are imposed under the police power of the state. Especially would it seem to be a proper decision in Massachusetts where control of outdoor advertising within public view has been expressly brought within the police power of the state by constitutional amendment.

RECENT BOOKS REVIEWED

Municipal Reports.—ATCHISON, KANSAS. *Annual Report, 1930.* By A. W. Seng, City Manager. 36 pp.

AUBURN, MAINE. *Annual Report, 1930.* By F. W. Ford, Jr., City Manager. 59 pp.

OREGON CITY, OREGON. *Report of Municipal Activities, 1930.* By J. L. Franzen, City Manager. 60 pp.

ALAMEDA, CALIFORNIA. *Thirteenth Annual Report.* By Clifton E. Hickok, City Manager. 81 pp.

CINCINNATI, OHIO. *Municipal Activities, 1930.* By C. A. Dykstra, City Manager. 107 pp.

FORT WORTH, TEXAS. *Progress of Fort Worth, 1930.* By O. E. Carr, City Manager. 49 pp.

It is interesting to observe that while the first three reports, considered as a group, are about equal in merit, they vary greatly in certain particulars. Not one places any emphasis upon important facts throughout the text, but Atchison partly redeems itself by summarizing certain financial statistics in the first part of the report. The harassed taxpayer of 1931 should view with no little pride the fact that the bonded debt had been reduced by more than one-half in the past ten years, the period, by the way, that council-manager government has been in effect in Atchison. He will read further with satisfaction that the city tax rate over this period has declined from 20 to 13.95 mills, while the school rate increased from 11.55 to 12.50, and the state rate from 1.40 to 1.95.

The Auburn report contains an excellent summary from which the busy reader gleans with little difficulty that his municipal officials collected 94 per cent of the tax levy; ended the year with a cash surplus of $13,000; kept the tax rate at $36 per $1,000; had a fire loss of $3.03 per capita; held the infant mortality rate to 97.9 (a doubtful record); and last but perhaps not least in importance "had fewer arrests but more convictions."

The Oregon City report fails to make a very definite impression. No facts stand out to challenge the reader's interest. Aside from one chart on bonded indebtedness the report is void of any graphical attempts to portray the data contained in tedious tables.

Guilty alike are all three cities in failing to report police activities in an intelligible manner: Atchison classifies her arrests beginning with "vag" and ending with "runaway girl"; Auburn does likewise, except her classification begins with "assault" and ends with "violation of the Sunday law"; while Oregon City gives a table of figures beginning with "intoxication" and ending with "drugs," and leaves the reader to guess whether the numbers given refer to offenses or arrests. So far as the first three reports of the above group are concerned, the Committee on Uniform Crime Records might as well not have published its Guide for Preparing Annual Police Reports.

The last three municipal reports here reviewed are in many ways similar. In their physical make-up they are very much alike: all are of the standard size, 6 x 9, printed on a good quality paper in legible type, and equally attractive. All three, however, fail to emphasize the important facts, the assumption apparently being that all the information is of equal importance. The illustrative material is of an unusually high order, Fort Worth falling a bit low in comparison because its few charts are too complicated and are without suitable titles. All three contain convenient tables of contents, organization charts, and a brief résumé of outstanding accomplishments for the year. On the whole, the space allotted to the different activities is well balanced, with the possible exception of the Fort Worth report which attempts to dispose of the police department in eleven lines. Speaking of reporting the police activities, it is worthy of mention that none of the reports give the total number of offenses together with the percentage cleared, which is the most reliable basis for judging the effectiveness of police work. In this connection, there is very little information in any of the reports on which to form a judgment of the quality of government services without making certain computations.

It is evident, however, that no concealment of facts is attempted. For example, the infant mortality rate for Alameda is given at 26.2; for Cincinnati, 65; and for Fort Worth, 66. The per capita fire losses for the year in the three reports are given as $1.75 for Cincinnati, $2.50 for Alameda, and $5.82 for Fort Worth. Actual fire losses would have been more clearly presented had the loss been expressed as the percentage of burnable property rather than on a per capita basis. Expenditures for the year, which, of course, do not afford a sound basis for comparison, are nevertheless interesting. From the total expenditures given the reviewer computed the following per capita figures: Fort Worth, $19.30; Cincinnati, $21.20; and Alameda, $25.55.

There is little justification in going to the expense of preparing and publishing an annual report if it does not give the citizens of the city the facts upon which they can appraise the quality of their governmental services. It is a bit discouraging to note that these reports, though of an exceptionally high character, contain very little data of appraisal value and even less comparative statistics for previous years, so that trends might be indicated. It is hoped that the recent report published by the National Committee on Municipal Reporting and the work now being done by the National Committee on Municipal Standards will in time bring about a very decided improvement in this phase of reporting.

Clarence E. Ridley.

The University of Chicago.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Report on Proposed Park Reservations for East Bay Cities (California).—Bureau of Public Administration, University of California, 1930. 40 pp. In 1928 the nine cities bordering the east shore of San Francisco Bay purchased a large tract of land for the purposes of the East Bay Municipal Utility District. A preliminary survey showed the extra land to be suited for park and recreation facilities. The services of landscape architects and the National Park Service were then secured and the area was studied from the viewpoint of possible use, value compared with other potential park property, and the park needs of the communities concerned. The report, which is very well illustrated, shows the advisability of using some of this territory for park area and recommends this action. (Apply to Bureau of Public Administration, University of California, Berkeley.)

◆

Report of the Survey of Atlantic County Government.—Atlantic City Survey Commission, 1930. 119 pp. At the request of the Board of Freeholders, the Commission conducted an administrative and budget survey the result of which is this critical analysis with a view to improved service and reduced cost. The following phases of the government are discussed: Organization of the county budget, accounting procedure, capital expenditures, reporting, purchasing, insurance, motor transportation, board of taxation, clerk of the board of freeholders, solicitor, engineer and road supervisor, asylum, almshouse, tubercular sanitarium, detention home, library, county clerk's office, surrogate's office, probation office, sheriff's office, jail, prosecutor's office. The report limits itself to recommendations which might be applied immediately by the Board of Chosen Freeholders and thus effect substantial budget reductions for the current year. (Apply to Atlantic City Survey Commission, Schwehm Building, Atlantic City, New Jersey. Price, $2.00.)

◆

The Social Survey.—Shelby M. Harrison. Russell Sage Foundation, 1931. 42 pp. When the Department of Surveys and Exhibits published its Bibliography of Social Surveys it included an important introduction by Mr. Harrison explaining the idea and practical value of *The Social Survey* with a brief history and discussion of the recognizable trends in this type of work. The significance of this introduction, apart from the studies listed, warrants this special edition for general distribution. (Apply to the Russell Sage Foundation, 130 East 22nd Street, New York City. Price, 25 cents.)

◆

Report of the Minneapolis Survey Commission.—1931. 7 sections, 244 pp. Almost two years ago Mayor Kunze appointed a commission of fifteen citizens "to make a comprehensive study and survey of the city government with a view to ascertaining whether municipal business procedure may be improved, simplified and made more efficient." The commission organized to study business aspects of organization and administration, accounting, purchasing, finance, personnel and public works and engineering with the assistance of citizens skilled in the fields to be surveyed. These separate committee reports are briefly summarized and are also separately available. The entire report of the commission is based on the opinion that the tax burden should be reduced. It is noteworthy that a number of the proposals of the committees were effected by coöperation with the city officials even before the reports were published. (Apply to Minneapolis Survey Commission, City Hall, Minneapolis, Minnesota.)

*

Building Code.—National Board of Fire Underwriters, 1931. 316 pp. To keep abreast of changing conditions and new developments in the building industry this standard code has again been revised. It incorporates the latest thought in building construction for the prevention of fire as well as protection against it. It is urged that the code be used in conjunction with the Suggested Fire Prevention Ordinance. (Apply to National Board of Fire Underwriters, 85 John Street, New York City.)

*

Codify Your Local Ordinances.—Bureau for Government Research, West Virginia University, 1931. 9 pp. Among the services this Bureau renders to municipalities special emphasis is laid upon the codification of ordinances. Chapter headings for a "model" administrative code appropriate to small West Virginia municipalities are given and there is pointed out the value of a "compact code published in permanent form kept up to date and indexed for accurate use." (Apply to Bureau for Government Research, West Virginia University, Morgantown, West Virginia.)

*

License Taxes in Virginia Municipalities.—Municipal Reference Bureau, League of Virginia Municipalities, 1931. 3 studies, 59 pp. The bulkiest of these studies lists by cities the taxes imposed on amusements. The second pamphlet deals with taxes on hawkers, peddlers, and itinerant merchants. Besides listing the amount charged this report explains the administrative and legal aspects of this type of license tax. The third study is a listing of taxes imposed in Virginia on abattoirs and butchers. (Apply to Municipal Reference Bureau, League of Virginia Municipalities, Travelers Building, Richmond, Virginia.)

*

The Growth of a City Government.—Lent D. Upson. Detroit Bureau of Governmental Research, 1931. 22 pp. Dr. Upson has listed the activities of the government of Detroit in the order of their appearance as separate units. Statistical data covering the period 1824 to 1931 is given on population, area, assessed value, governmental activities, taxes and debt. He has also grouped these activities in nine major functions, with subdivisions according to service, activity and phase of activity. This study serves as an analysis of work and should be used for budget estimates, accounting control and as a basis for formulating a work program which recognizes the limitations of public expenditure. It should facilitate the logical organization of the tasks of government. Incidentally, it makes possible the tracing of the development of a typical city government. (Apply to Detroit Bureau of Governmental Research, Detroit, Michigan.)

*

Report of the State Board of Housing.—Albany, New York. 1931. 71 pp. The New York Board of Housing reports progress. When present construction under the law is completed 1,711 New York City working class families will be housed in modern buildings superior to other current accommodation in planning and use of the site, construction and design, at rentals with a maximum of $12.50 per room. It is noteworthy that the feasibility of operation under the law has been sufficiently proved to cause commercial builders to enter the field. The report presents also a study of cost of living of the 400 families in the Amalgamated Housing Corporation apartments in the Bronx, including the earnings and expenditures under the family budget. Tables are given on the maintenance costs of housing projects undertaken since 1925. One section is devoted to statistics of assistance to persons interested in forming limited dividend companies for low cost housing construction under the law. (Apply to Secretary of State, Albany, New York.)

*

A 10-Year Plan for Public Improvement in Kansas City.—Civic Improvement Committee, 1931. 57 pp. with maps and diagrams. This is a volume of facts prepared to assist speakers presenting the long-term financial plan to the voters of Kansas City and Jackson County, Missouri. It summarizes 16 city and 4 county proposals, totaling an expenditure of $40,000,000. Besides the Committee of 1,000, a number of influential organizations support the plan. The little book of material used to explain the plan is especially interesting in view of its success at the polls. (Apply to the Civic Improvement Committee, City Hall, Kansas City, Missouri.)

*

Annual Report.—Bureau of Health, Trenton, 1931. 99 pp. In the letter of transmittal of his 1930 report, Health Officer A. S. Fell states that this published report is an attempt to give a word picture of the department activities, interesting and not tiresome. He succeeds notably, especially in showing the work of disease prevention, through the removal of the causative factors as carried on by his Bureau. (Apply to Dr. A. S. Fell, Bureau of Health, Trenton, New Jersey.)

*

Outline of Instruction, Police Training School, Wichita, Kansas, 1931.—205 pp. The outline of the curriculum of the Kansas Police School, sponsored by the Kansas League of Municipalities, covers a course meeting nine or ten sessions a day for a full week. It deals with subjects from abnormal psychology to weapons, including among others, traffic, arrest, identification, first aid, penology, narcotics, gambling, evidence, records, crime prevention and crime reports. (Apply to John G. Stutz, League of Kansas Municipalities, Lawrence, Kansas.)

*

Report on a Proposed Retirement Plan for the Employees of the City of Cincinnati.—Cincinnati Bureau of Governmental Research, 1931. 68 pp. **Proposed Ordinance to Establish a Retirement System for Employees of the City of Cincinnati.**—1931. 32 pp. George B. Buck, consulting actuary, prepared for the Bureau and City Manager Dykstra a municipal retirement system for Cincinnati employees. The main provisions are summarized and the benefits described in his report. Tables are given to show cost to the city and to the various classes of employees as well as the actuarial basis on which these cost figures were prepared. The ordinance is based on the recommendation in the report. (Apply to Cincinnati Bureau of Governmental Research, Cincinnati, Ohio.)

*

Safety Code for Mechanical Refrigeration.—American Society of Refrigerating Engineers, 1931. 31 pp. The American Standards Association has approved this code as a reference manual for practical and adequate regulatory measures for the safe installation, operation and inspection of mechanical refrigeration systems or units. It is also sponsored by a number of manufacturers. The code is applicable to municipalities of any size and the Association will be glad to assist if local needs require its adaptation. (Apply to American Standards Association, 29 West 39th Street, New York City.)

*

The Reorganization of the Chattanooga Pension System.—Bureau of Governmental Research, Chamber of Commerce, Chattanooga, 1931. 22 pp. This study points out the weaknesses in the present pension system and suggests measures to prevent its collapse and establish it on a sound basis. Tables are given comparing the present law with earlier Chattanooga pension plans and the pension laws in effect in other cities or states. The procedure by which various cities which have had unsound systems have placed these on a sound actuarial basis is suggested. (Apply to Bureau of Governmental Research, Chamber of Commerce, Chattanooga, Tennessee.)

*

American Public Health Association Year Book, New York.—1931. 320 pp. This first year book gives information concerning the organization, activities and membership of the Association, but devotes most of its space to the reports of twenty-nine committees. Here is given briefly the current concerns of these important committees on significant phases of public health, some of which are: environmental sanitation, insects and rodents, disaster relief, water supply, waterways pollution, plumbing, sewage disposal, lead poisoning, milk supply and other food stuffs. (Apply to the American Public Health Association, 370 Seventh Avenue, New York City.)

NOTES AND EVENTS

EDITED BY H. W. DODDS

An Executive Council Established in Wisconsin.—A revealing manifestation of the political thinking of Governor Philip F. La Follette is found in his first message to the Wisconsin legislature (January 15, 1931). Here he points out the well-known inadequacy in that theory of American government that would isolate the executive from the legislative branch; then he warns against a full acceptance of the more recent drift toward extending arbitrary powers to the governor without setting up some compensating controls. "No one man has sufficient wisdom to diagnose the needs of the state. In the exercise of the extensive semi-judicial and semi-legislative powers necessarily given to administrative authorities, a continuing study of their trends and effects by both official and unofficial leadership is now essential." To meet this need in state government the governor urged the creation of an executive council. It would provide an opportunity for the continuous review of the activities of government, a safeguard against hasty, arbitrary and ill-informed developments of policy and an "opportunity for including on the executive council of spokesmen for agriculture, manufacture, commerce, finance, labor and similar basic interests in the state. . . . It is possible for us to inaugurate for Wisconsin the first steps toward a planned development, to be achieved by the free coöperation of individuals and groups with the government of the state."

These suggestions were embodied into law when S. B. No. 66, introduced by Thomas A. Duncan, the outstanding leader of the senate and the right-hand man of the governor, was favorably passed by the legislature. The act specifically provides for an executive council of five senators and five assemblymen named by and responsible to the legislature and of ten other citizens appointed by the governor without confirmation—all appointments to expire with the term of the governor under whom they were made. These members serve without compensation other than actual expenses. Meetings of the council shall be held on call of the governor, at any place within the state, as the governor may designate. Ten members shall constitute a quorum, and a majority of a quorum shall have power to transact business. Specifically, its most important powers are: to advise the governor, to investigate any part of the state government, to make studies of governmental problems, to investigate the possibilities for consolidations in government that would make for increased efficiency and economy; to provide for office rooms for state officers, and to approve of all leases of quarters made by the director of purchases; to provide the procedure for purchasing supplies, materials, equipment and contractual services; to let commercial concessions in the capitol. The executive council has power to administer oaths, issue subpoenas, compel the attendance of witnesses and the production of papers, books, accounts, and testimony. Furthermore, each state department or agency thereof is required to furnish information to the executive council on its request.

I asked Governor La Follette if the idea had been suggested to him by the legislative council recommended in the *Model State Constitution* of the National Municipal League. He shook his head in the negative; I then asked if the idea had come from Laski's proposal about advisory bodies surrounding the executive departments that he describes in his *Grammar of Politics.* The governor smiled and his eyes sparkled as he said, "I have never read it." The executive council is a product of his own political thinking—of his own interest in government. He considers it a very important one, and although no official appointments have yet been made (June 23) he put the plan into effect even before he was inaugurated. He had conferences with leaders and representatives of important economic groups. Among them were railroad presidents, two banking groups—the independents and the chain bankers, labor leaders—the Railway Brotherhood and the State Federation of Labor, and groups of industrial leaders. In preparing the executive budget he elected to have old members of the finance committee sit with him for consultation and advice. In the future the executive council will be present when he prepares the budget. Since he has been in office he has continued his conferences with industrial leaders, legislative leaders and heads of executive departments. In the words of one observer close to the governor, "He is trying to focus the thinking resources of the state on the problems of the state.". It is doubtless because of advanced work of this type carried on under the direction of the governor that the present session of the legislature will end this week (June 23) instead of in August or September—the dates when recent sessions have ended.

J. T. Salter.

University of Wisconsin.

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Ohio Abandons the General Property Tax.—After over forty years of effort Ohio has finally abandoned the general property tax. In no state has this change been so bitterly contested. In the period since 1885 the question of abolishing the uniform rule was submitted to the voters of Ohio no less than eleven times, but not until 1929 was the necessary constitutional amendment secured. With the uniform rule eliminated from the constitution, it was evident that taxation would be the major problem before the 1931 legislature. When it came to selecting a definite substitute for the existing general property tax, however, wide differences of opinion were manifest at once. In general, the farm groups desired a state income tax, the proceeds of which would be turned over to the local units, while the manufacturing interests insisted upon a system of classified property taxes with low rates on equipment and intangibles. Though a large part of the legislature—perhaps the greater part—initially leaned toward an income tax, it was practically eliminated because Governor White pledged himself during the campaign to veto such a measure if presented. The choice was narrowed, therefore, to the classified property tax.

The measure enacted classifies property into a number of groups to be assessed at differing percentages of full value and taxed at varying rates. Real estate and most public utility personalty are to be listed at full value. Machinery and equipment used in agriculture, mining, and manufacture are to be assessed at 50 per cent of value and other taxable tangible personal property at 70 per cent. Motor vehicles are exempt entirely, the license rates being increased to balance the loss of revenue, and household furnishings are also exempt. The regular local tax rates will apply to both real estate and tangible personal property as so assessed. Intangibles are divided into several groups taxable at different rates. Bank deposits are subjected to a levy of two mills to be collected directly from the bank. Investments are to be taxed at the rate of five per cent of the income yield if they produce income and at two mills upon market value if not income producing. Moneys and credits are taxed at three mills.

The administration of the new system of taxation will be highly centralized. In addition to the assessment of public utility property, which is already largely handled by the state, the tax commission will assess the personal property of all corporations and individuals listing in excess of $5,000 of taxable property personal. In the case of investments, the taxpayer is given the option of filing a copy of his federal income tax return or of listing his securities and the income therefrom individually. The administrative burden imposed upon the tax commission is obviously very great. To meet its new responsibilities, the membership of the commission is increased from three to four and provision is made for a large expansion of personnel.

What the results of the new legislation will be is a matter of considerable speculation. Those responsible for formulating the plan do not claim any very considerable increase in revenue from the change—perhaps $5,000,000 taking the state as a whole—but they do contend that it will reach a larger amount of intangibles and distribute the tax burden upon intangibles more equitably than has the general property tax. However, many fear the possibility of decreased revenue and consider the plan a makeshift pending the time when a state income tax system can be adopted.

R. C. Atkinson.

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Governor's Suspension Power over Local Officials Nullified.—"Sorry, 'Charley.' I'm not going to get out unless the courts make me." With this statement Treasurer J. M. Weston of Lee County, Virginia, whom the state auditor of public accounts, along with private accountants, had shown to be short in his accounts approximately $92,000, announced his decision to fight the right of Governor John Garland Pollard to suspend him from office. Thus was Charles D. Fugate, the governor's appointee to fill the vacancy which he believed to exist after he had suspended Treasurer Weston, greeted when he appeared to take over the county treasurer's office.

In March, 1931, the final round was fought when the Virginia Supreme Court of Appeals handed down a decision upholding the treasurer and declaring unconstitutional that section of the tax code of Virginia which had granted the governor the right to remove from office, for proper cause, any city or county treasurer, clerk, sheriff, or other officer charged with the collection of any of the public revenues.

In the opinion of the majority of the court, for the decision was reached by a 4 to 3 vote, it was held that this act of the legislature was unconstitutional because it gave to the governor the right to determine whether there was cause for suspension, a matter essentially judicial which should be reserved for the courts. In part the court said, "To remove a man from office because of embezzlement, without giving him a day in court, runs counter to those fundamental instinctions of fair dealing which lie at the base of all government."

Especially striking, however, was the severity of the language of the minority report, written by Chief Justice Prentis. He charged the majority with having based its decision on . . . "a fanciful construction of the constitution which has been frequently repudiated" and with thus having refused "to coöperate with the general assembly and the executive, and so defeat their commendable efforts to enforce this and other statutes."

At present the case of Treasurer J. M. Weston lies in the circuit court of Lee County. Ouster proceedings have been instituted. Experience with such proceedings in Virginia in the past has been discouraging. It was to take such matters out of the hands of friendly members of the erring official's own courthouse clique that the power to suspend county constitutional officers was originally given to the governor by this act of the general assembly. It is hardly possible that with the necessary delays in the determination of this case any action will be had before the expiration of Mr. Weston's term of office in November.

At the next session of the general assembly it seems probable the act will be amended to provide for the suspension by the governor subject to appeal to the courts instead of the legislature as the voided act provided. For the present the right of the governor to suspend a county constitutional officer charged with wrongdoing is denied. A county treasurer who has been shown to be in default thousands of dollars continues to hold office and in the meantime collects additional public funds totaling more than $850,000. Interest on the Lee County bonds is in default many months and the governor has been informed that the bondholders threaten legal action. And, finally, the credit of all Virginia counties is affected.

John J. Corson, 3rd.

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Budgetary Developments in Los Angeles.—The most encouraging aspect of municipal administration in Los Angeles is the bureau of budget and efficiency, which is headed by Roy A. Knox. The charter provides (sec. 399) that "The Director of the Bureau of Budget and Efficiency shall assist the Mayor and Council in the preparation of the annual budget . . . " Largely as a result of this provision the Los Angeles budget bureau is more or less singular; it is equally the instrumentality of the mayor and of the council. In the fullest sense, it is a "staff" agency. So far it has succeeded in serving two masters in admirable fashion.

In 1927 an amendment was passed which provides that, "For the financial support of the bureau of budget and efficiency there is hereby appropriated an annual sum of not less than one-fourth of one cent on each one hundred dollars of the assessed value of all taxable property in the city." The proposed budget for 1931–32 is $55,704, the director's salary being $6,600, and that of the lowest paid investigator $2,100. There are now thirteen employees of the bureau, exclusive of secretarial assistance. The success of the bureau of budget and efficiency is due principally to the superior calibre of personnel it has been able to secure. Six of the eleven investigators expect to receive the master's degree within a short time for research they are doing in public administration!

The confidence the bureau of budget and efficiency commands is illustrated by the budget which will soon be voted by the city council. The departmental requests exceeded $38,000,000, but Director Knox recommended a budget of about $25,000,000. After announcing publicly that this amount would have to be reduced, Mayor Porter eventually accepted a budget total which was almost identical to the bureau's proposal.

One of the most distinctive features of the Los Angeles budget plan is the unusual power granted the mayor by a charter amendment passed in November, 1930. The amendment was first suggested by the bureau of budget and efficiency, which was concerned about what would happen if the mayor should veto the budget in whole or in part and then the council should fail to muster a two-thirds vote in order to put a budget into effect by July 1. This exigency was made a real threat because of the recognized power of the council to place any fraction of the mayor's recommended total into an "Unappropriated Balance." Between 1924 and 1930 this balance has been increased from approximately $3,800,000 to around $7,800,000. Its most important use is to meet the cash requirements of the city for the portion of the ensuing fiscal year prior to the receipt of taxes. Before the adoption of charter amendment 1-A, which has become section 353 of the city charter, in case the council failed to pass a budget, there would have been no budget whatever in effect. The new provision states that, "In case the Council shall fail to adopt a budget and levy a rate of taxation at the time and in the manner provided by this Charter, then a budget as prepared by the Mayor for the expenses of conducting the business of the city government shall be in effect," and after the controller has added a sum sufficient to meet the interest and sinking fund, and has fixed a rate of taxation not exceeding the charter limits, "said tax rate shall thereupon have full force and effect as if said appropriations had been made and said rate of taxation fixed by action of the Council and approved by the Mayor, as hereinbefore provided."

It is apparent that the voters of Los Angeles have taken another step in the process of making a "strong" mayor. The councilmanic election returns of the June 2 ballot indicate that ten of the fifteen members of the council will be opposed to the present incumbent of the mayor's office. It may be that Los Angeles will have need of such safety devices as the one described above at some future time.

Marshall E. Dimock.

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State Reorganization in North Carolina.—The North Carolina General Assembly, which adjourned in May after the longest session on record, again demonstrated that the time is not yet ripe for adoption of a general administrative reorganization program in that state. As one writer has phrased it, "Conservatism of the kind which has caused North Carolina to be the only state in the Union to deny its governor any veto power and one of the few which does not permit a governor to succeed himself, has again stood like a rock against all attempts to introduce the short ballot." This reluctance on the part of the legislature to change the system by which the people elect directly thirteen state executive and administrative offices was only too well realized by the present governor, O. Max Gardner, who was the leading figure in the reorganization movement.

Realizing that the basis for any legislation necessitated the prosecution of a governmental survey, Governor Gardner last summer employed the Institute for Government Research to conduct a survey of state and local government. The report, commonly referred to as the Brookings report, was presented in December and immediately became the subject of considerable attention. In general the report recommended as follows: (1) Amendment of the constitution to provide for the election of but three officers—governor, lieutenant governor, and state auditor; (2) Grouping of related services into a small number of administrative departments; (3) Creation of a service of general administration directly under the governor in which all the purely staff or institutional activities would be centralized.

The report had been in the hands of the governor but a short time before he extracted from it a series of recommendations which he proposed to present to the legislature. These included among others the creation of a central purchasing agency, the consolidation of the University of North Carolina, State College, and North Carolina College for Women, the reorganization of the health, highway, and labor departments, and the establishment of a modified merit system. In his message in January and in numerous public statements, he placed himself in favor of these particular measures. In spite of considerable opposition the administration was successful in securing adoption of practically every one of the recommended proposals. This was rather remarkable in the light of the historical fact that few governors of North Carolina have been successful with their second legislatures.

Briefly, the laws enacted as a result of the reorganization program were:

1. Creation of central purchasing agency under the direction of the governor;
2. Creation of a personnel agency under the direction of the governor;
3. Minor reorganization of the state board of health to provide that the selection of the state health officer should be approved by the governor;

4. Transfer of banking supervision from the corporation commission to a separate banking department;
5. Consolidation of all labor activities under a department of labor (the move to make the office of the commissioner of labor appointive, however, failed);
6. Consolidation of the University, State College, and North Carolina College for Women under one board of trustees;
7. Creation of a constitutional commission for the purpose of working out amendments to the present constitution;
8. Reorganization of the state highway commission;
9. Creation of a state agency with drastic powers over the fiscal affairs of local governments.

In view of the taxation and school issues which dominated during the whole session, close students and friends of the reorganization movement are fairly well satisfied with the results achieved. They at least represent an opening wedge for future reorganization proposals and Governor Gardner has been given great credit for his fight in the face of many obstacles—both political and economic. With taxation and its allied problems occupying major attention, administrative reorganization was forced to take the back seat, and any additional consolidation legislation could hardly have been expected to materialize at this session.

Paul V. Betters.

Institute for Government Research.

✣

Committee on Uniform Street Sanitation Records Makes Second Installation.—The Committee on Uniform Street Sanitation Records has just completed in Kenosha, Wisconsin, the second of its demonstration installations which it is making in various cities throughout the country. The purpose of this installation is to demonstrate how the standards and records proposed by the committee can be applied in cities between 25,000 and 500,000 inhabitants. A complete manual of this Kenosha installation, together with the forms employed, has been distributed to sixteen hundred city officials throughout the country with the recommendation that they adopt all appropriate portions in their respective cities.

Kenosha was selected as the demonstration city in the 50,000 class because of the splendid administrative methods employed by P. J. Hurtgen, director of public works, and William E. O'Brien, city manager. The installation staff found the director of finance, H. C. Laughlin, to be maintaining one of the best, as well as one of the simplest, general accounting systems in the country and already submitting to department heads monthly statements which show the exact condition of each appropriation. Similarly, the purchasing system and central stores control, operated by the purchasing agent, J. V. Duffy, was found to be a model one and required no changes whatever in the installation. Kenosha also manages all of its equipment from a central garage which especially aided in providing an effective system of equipment records.

The installation required approximately one month of the time of the committee's staff, consisting of Donald C. Stone and G. A. Moe, working in conjunction with the several city officials. During this period revisions were made in the daily field reports, equipment records, the cost records, complaint reports, and monthly administrative statements, all of which resulted in a smoothly operating and well-balanced system.

The purpose and scope of this installation in Kenosha is indicated by the introductory section to the instructions prepared for the officials. It states in part:

> The main objective of the records and costs system is to provide the several public works officials and the city manager, with a greater control over street sanitation and other public works activities. The system provides a regular method for compiling and analyzing the amount of work done and its costs. This will allow these officials to better plan the work, to prepare a sound budget, and to determine the extent to which work performed conforms with the work planned. They will be able to determine which methods or equipment are the most effective or the cheapest. With these facilities at hand, the city's activities can be conducted on a more systematic basis, thereby producing more and better work for the money spent.
>
> Certain standards of work are necessary in any undertaking to serve as a goal or guide if maximum efficiency is to result. As a guide to public works officials in Kenosha, certain standards have therefore been established for each kind of work, and of the unit costs for doing this work. These standards take the form of a predetermined amount of work which is necessary to provide satisfactory service for each operation, the use of unit cost standards as a goal to be attained in actual unit costs, and other measures such as units of work per man hour, units of work per equipment hour, etc. An analysis of the present costs has made it possible to set up a unit cost standard for many of the public works opera-

tions, such as refuse removal, dump maintenance, machine sweeping, and the like. These standards are indispensable in formulating a work program and budget for the public works department.

*

Municipal Prisons No Credit to America.—In the realm of correctional institutions, workhouses and jails, our American cities are still in the dark ages. Many municipalities have attempted, with more or less satisfactory results, to establish prison or workhouse farms. In the majority of cases, we are still groping for an adequate program. Short sentences, and, in some cases, political interference leave very little opportunity for satisfactory treatment of inmates. Why not a more thorough classification of municipal prisoners with work and social programs suited for the various groups?

The repeater in a municipal workhouse is generally sentenced for a short term each time he appears, and is very possibly in need of mental or physical treatment which no workhouse can provide. Among other groups, much crime prevention should result from considering the prisoner as one who needs treatment and not only as one from whom society must be protected. It is barely possible that he needs protection from society and social forces.

Slowly, we are developing probation divisions and coming to understand the value of newer research methods in the fields of correction and of mental hygiene. The day may come when even the more satisfactory prison farm will be considered wholly unnecessary. Municipal welfare departments must be alive to these newer developments as programs for improvements are considered.

It is in the present non-institutional field where municipal public welfare will come increasingly to assume larger responsibilities. As all social workers are aware, the trend of the past few years has been to place more of the burden of care for dependency and of relief directly upon public bodies. The present depression has intensified this effort. Cities, which have depended upon private agencies to meet the social needs of the community, have been compelled to resort to tax funds to meet the imperative needs of the time. It will be a difficult matter to shift the burden back to private social agencies, and municipalities must build a force to continue to carry it. (*Excerpt from address by Fred K. Hoehler before American Association of Public Welfare Officials.*)

*

Speakers' Club of Los Angeles Organized.—A novel organization has been formed in Los Angeles known as the Speakers' Club for the purpose of disseminating information respecting the administration of government. To be eligible for membership a person must hold an administrative post in federal, state or local government, or be engaged in an academic or research pursuit concerning governmental affairs. Another purpose is to develop in the members the art of public speaking. At each meeting eight speeches are made by members and each speech and speaker is criticized by some other member of the club and by a critic from the University of Southern California trained in the principles of public speaking.

STANDARDS
of
PLAY AND RECREATION ADMINISTRATION

REPORT
of the
COMMITTEE ON PLAY AND RECREATION ADMINISTRATION
of the
NATIONAL MUNICIPAL LEAGUE

Prepared by
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New York University, *Chairman*

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FOREWORD

Our public play and recreation systems have had a Topsy-like growth. The public schools have established supervised playgrounds for the school population; they have extended the usefulness of the school plant by making it available as a community center; and they have in some cities stretched the school budget to its elastic limit to provide recreational facilities for the adult members of the school community. Concurrently but independently, the municipal government has been compelled to provide, at public expense, recreational facilities in the parks and supervised playgrounds during the summer months when the schools are closed.

The results of this situation are what could logically be expected. No one governmental unit has been responsible for the public recreation program; the "buck" has been passed from the schools to the city and back again; the two separate governmental units have been competitors instead of co-workers in administering the recreation function; the duplication and overlapping have increased the cost of public recreation while lessening its effectiveness.

This committee report suggests a clear-cut and definite division of responsibility between the schools and the municipal government. It advocates a broadening of the school program to provide recreation on a year-round basis for the youth of school age. It recommends that the municipal government should be wholly responsible for providing recreation for the adult group of post-school age. It points out the possibilities of a joint control over all recreation by having one executive in charge of the facilities of both the schools and the city government, and cites several examples where such coöperation has been successful.

This report is sponsored by the National Municipal League's Committee on Play and Recreation Administration, with the following personnel:

Jay B. Nash, Professor of Physical Education, School of Education, New York University, *chairman*

Le Roy E. Bowman, Secretary, National Community Center Association, New York City

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The committee is deeply indebted to its chairman, Dr. Jay B. Nash, professor of education in New York University, who prepared the manuscript for this report. All members of the committee have contributed to the report by attending meetings and by offering constructive criticisms at each stage in its preparation. Harold S. Buttenheim, in addition to reading and revising each draft of the manuscript, enlisted the services of Joseph McGoldrick of Columbia University in an editorial capacity.

The committee does not offer its report as the final word on the subject; on the contrary, it fully appreciates that its conclusions are subject to all the weaknesses of a pioneer effort. The report is offered as a suggestive way out of the fog which now enshrouds the play and recreation function in many of our municipal governments.

Russell Forbes, *Editor*.

TABLE OF CONTENTS

PAGE

INTRODUCTION ... 485
  Division of Responsibility and its Results ... 485
  Expansion of Governmental Functions ... 486
  Administrative Principles ... 488
  Suggested Division of Responsibility ... 489
  Many Municipal Playgrounds Have Had Limited Use ... 492
  School Playgrounds May Have Wider Use ... 493
  Schools Cannot Provide a Complete Community Recreation Program 495
  The More Extensive Facilities for Community Recreation Should be Provided by Municipal Government ... 495
APPENDIX ... 498
  Legal Machinery Necessary to Carry Out the Principles Advocated in This Report ... 498
  Home Rule ... 499
  Recreation Enabling Acts ... 499
  School Codes ... 500
  City Charters ... 504

STANDARDS OF PLAY AND RECREATION ADMINISTRATION

The purpose of this pamphlet is to set forth the principles which should govern the organization and administration of those municipal activities which have been variously termed as "playground," "recreation," "park," and "physical education activities."

These terms are not used as synonyms. However, they have certain relationships. Playground activities have been referred to as the game and athletic phase of physical education. Recreation has been defined as the various types of leisure-time activities for children and adults. In this report, however, play activities will be used to cover all the types of activities which children enter into and which carry their own drive. These include musical, rhythmical, dramatic and handicraft activities as well as games and athletics. Recreational activities will refer to the same type of activities, but as applied to adults. Physical education will refer to the big-muscle phase of play activities, although in a well-rounded school program the big-muscle play activities are intermingled with all the other phases referred to above.

DIVISION OF RESPONSIBILITY AND ITS RESULTS

The administration of parks, playgrounds, recreation centers and school playground areas has developed in various ways in American municipalities. A well-known authority has aptly summed up the situation: "Where there are many local authorities, there is bound to be some unnecessary duplication of work, as well as neglect of some functions. Thus in one city there are two sets of playgrounds, one provided by the school board and another by the park board, yet there is *no system* of playgrounds, because of failure of the two boards to work together. There is another case where there are two sets of municipal baths, with two separate supervising authorities, yet there is no system of public baths. Such overlappings frequently lead to bitter political controversies between the separate authorities, and frequently result in lawsuits between them, all in the name of the public and at the public expense. On the other hand, new functions sometimes fall between two stools, since no one of the existing authorities cares to spend money on it."[1]

This lack of a uniform system is largely due to the wide variety of conditions under which the administration of play and recreation has developed. Governmental responsibilities have increased tremendously with the growth of cities. One of these responsibilities is that of providing parks and playgrounds and adequate physical education opportunities in connection with the schools. Various special governmental agencies have arisen and extended their plane of activity, so that today we have several governmental agencies attempting to carry on the same function in the same area. The following chart illustrates the existing possibilities for confusion and overlapping of responsibilities.

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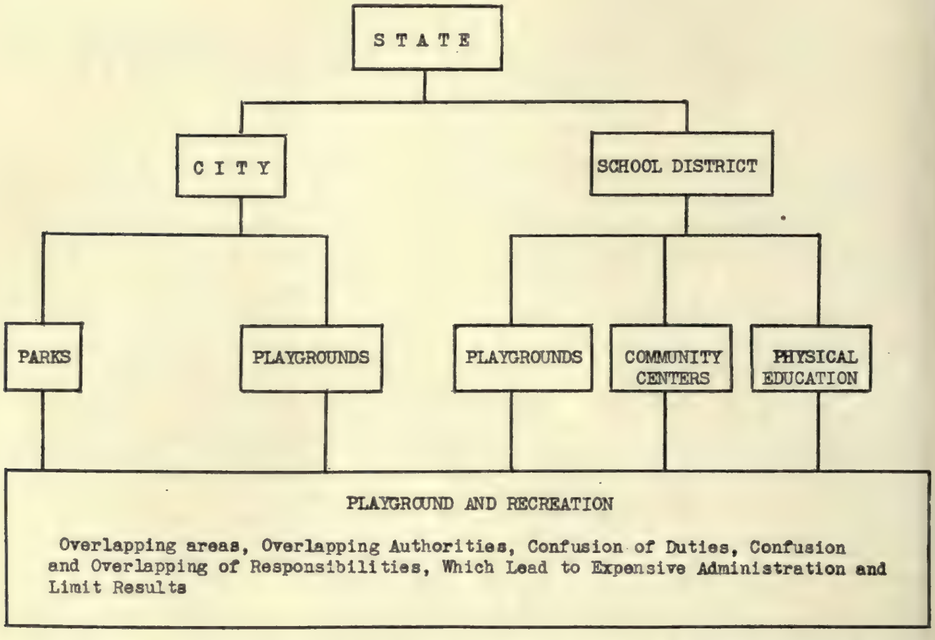
[1] William Anderson, *American City Government*, pp. 82, 83.

Chart I


STATE
CITY
SCHOOL DISTRICT
PARKS
PLAYGROUNDS
PLAYGROUNDS
COMMUNITY CENTERS
PHYSICAL EDUCATION
PLAYGROUND AND RECREATION
Overlapping areas, Overlapping Authorities, Confusion of Duties, Confusion and Overlapping of Responsibilities, Which Lead to Expensive Administration and Limit Results

The above chart indicates how both the city and school authorities are organizing play and recreational activities in many municipalities. Because of this situation there is a definite lack of coördination in many cities which leads to great confusion in the minds of the public in respect both to administration and to initiation. Within each of the various sub-divisions listed above a considerable amount of confusion could also be cited.

EXPANSION OF GOVERNMENTAL FUNCTIONS

School Activities Have Expanded. The public school formerly confined itself to what it now terms the "tool" subjects. Today, however, various departments of the school have projected their activities into the play and recreation field. This has been emphasized with the spread of universal education and the extension of the school age. Physical education, particularly since the World War, has become practically universal in the public schools of America. Thirty-six states, which include over ninety per cent of our population, have compulsory physical education laws. This has required a large amount of indoor and outdoor facilities for the new type of "play program" which has become generally accepted. Outdoor play yards varying from five acres to fifteen acres are being demanded, and indoor physical education facilities representing from 11 per cent to 31 per cent of the entire cost of the school plant are being provided.[1] There has been a tendency, since 1890, for playgrounds to be organized in connection with the public schools. These have not always been allied with the physical education movement, but within

[1] This information was secured in connection with a recent survey of fifteen large cities in this country made by Jay B. Nash, New York University.

the past decade year-round school playgrounds have been largely administered as a phase of physical education.

The Community Center Movement. There has been a growing tendency, since about 1850, toward the wider use of the school plant as a community center. The past decade has witnessed a great amount of progress both from the legal standpoint and from the practical standpoint.[1]

School departments other than physical education have also expanded their activities. English departments have organized dramatic activities which have utilized the out-of-school hours of the child. The music department has organized its orchestras, bands and glee clubs. The science department, with its emphasis on nature study, and the department of homemaking with its interest in home activities, as well as other departments, have pushed their way beyond the old-established school walls. On non-school days the school playground, administered largely by the department of physical education, has extended the range of activities beyond the big-muscle type of play to musical, manual, dramatic and science types of play.

Expansion of Park Functions. The expansion of the public parks in America can likewise be dated from about 1850. This has been shown in the development of national park areas, state and county parks and city parks, and playgrounds. Every state in the union has legislation relating to some phase of the park movement. Many parks have outgrown the "keep off the grass" stage and have become "playgrounds of the people."[2]

Municipal Playgrounds Have Expanded. The playground movement is much younger but has had a remarkable growth. In 1930, 980 cities conducted some type of playground activities. These playgrounds are organized under different departments of the city government; some are managed by the park commission, others are run by the public works department, still others by the shade-tree commission, while some are under the school board or a separate playground and recreation commission. Many cities

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[1] Eleanor T. Glueck, *Community Use of Schools.* Williams and Wilkins Company, Baltimore, 1927.

[2] *Parks—A Manual of Municipal and County Parks,* edited by L. H. Weir. A. S. Barnes & Company, New York, 1928.

TABLE I

NUMBER OF CITIES OPERATING MUNICIPAL PLAYGROUNDS WITH TWO OR MORE GOVERNMENTAL OR PRIVATE AGENCIES COÖPERATING [a]

Year [b]	*1909*	*1910*	*1911*	*1912*	*1913*	*1915*	*1916*	*1917*	*1918* [c d]	*1923*	*1924*	*1925*	*1926*	*1927*
Number with coöperating plans.......	No report			27	32	55	49	115	118	197	250	272	313	338
Total number reporting ...	150	184	257	285	342	432	371	481	403	688	711	748	790	815
Percentage with coöperative plan...	..	..	..	9% +	9% +	12% +	13% +	23% +	29% +	28% +	35% +	36% +	39% +	41% +

[a] While the figures in this table are approximately correct, it was impossible to determine the amount of coöperation which has taken place.

[b] Taken from Year Books of the National Recreation Association.

[c] No reports for the years 1919 through 1922.

[d] Jay B. Nash, *Organization and Administration of Playgrounds and Recreation.* A. S. Barnes & Company, New York, 1928.

have two or more departments coöperating in a joint plan. The growing tendency to have playgrounds with two or more governmental agencies coöperating is indicated in the table on page 487.

The Legal Difficulties. This situation has been replete with legal and administrative difficulties. The city derives all its power from the state. In most of our states, city charters are acts of the legislature, and are amended, virtually at will, by the legislature. In fifteen of our states, however, cities have the constitutional power of home rule which permits them to draw their own charters and be somewhat less subject to legislative interference. Twenty-two of our states have passed recreational enabling acts giving their cities broad power and discretion. The majority of school boards are quasi-independent units but are also *the creatures of the state government.*[1] Under an old and thoroughly settled rule of law, a delegated power may not be redelegated.[2] Thus, though either a city or a school board may entrust its properties to mere agents, *they may not delegate their powers* over such property, for example, to each other.[3]

ADMINISTRATIVE PRINCIPLES

1. Two governmental agencies should not attempt to organize the same activities for the same people.[4] This is good law and good sense. Anything else would involve confusion and irresponsibility.

An illustration of the violation of this rule is found where both the municipal park and playground departments and the school district organize playground activities for children. In many instances these areas are adjacent and hence there is a definite overlapping in connection with the use of space and in connection with the service rendered to children. An example of this is found in Los Angeles, where some municipal playgrounds and school playgrounds are located side by side and are quite definitely competitive.

2. If the playground and recreation needs of children and adults are to be administered efficiently, there should be coördination of all local governmental and semi-private agencies concerned. This is equally obvious. There are many examples of successful coöperation of this sort.[5]

3. Additional open areas—parks, playgrounds, school yards, plazas, etc.—should be provided in accordance with a master city plan.

4. The legislative body of the municipality should have power to centralize in one administrative department all recreation activities of a similar type which are under municipal control. The school should have assigned to it specific functions that will not overlap those of any other local governmental agency.[6]

5. With the rising cost of local government, emphasis must be directed,

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[1] *Gunnison* v. *The Board of Education of the City of New York,* 176 New York 13; and *Ridenour* v. *The Board of Education of the City of Brooklyn,* 15 New York Misc., 418.

[2] *Clark* v. *Washington,* 12 Wheat. 40, 6 L. ed. 544.

[3] Detroit is a very good example of a city where the board of education entrusts school property to the municipal recreation department, as mere agents, on certain afternoons and in vacation periods.

[4] Dillon, *Treatise on the Law of Municipal Corporations,* 5th ed., Vol. I, p. 616. Richard S. Childs, "A Democracy that Might Work," *The Century Quarterly, Winter of 1930,* pp. 6 and 7.

[5] Examples of such cities are Baltimore; Detroit; Oakland, Long Beach, and San Diego, California; Montclair, New Jersey; and Milwaukee.

[6] Such administrative set-up is found in Oakland, Berkeley, San Diego, and Long Beach, California.

first towards securing additional returns and service from a better integration of present agencies and a more efficient use of present facilities,[1] and later to an extension of facilities to meet growing needs.

6. The state should give the legislative bodies of municipal corporations and school districts greater discretion to expend money from general or special funds for play and recreation activities.[2]

7. The state legislature should authorize coöperative undertakings between various departments of a municipal corporation, two or more municipal corporations, or if possible a municipal corporation and a board of education.[3]

8. There should, perhaps, be some system of local popular initiative, so that the people of a community in certain circumstances can bring effective pressure to bear upon governing bodies which for one reason or another have been unresponsive to the public demands for the institution of particular types of playground and recreation service.[4]

9. In both municipal service and school service all playground and recreation leaders should be required to meet certain standards of education and training.[5]

SUGGESTED DIVISION OF RESPONSIBILITY

While this division of responsibility may not be universally applicable now, it would solve many of the present problems.

Pre-School Group. In the pre-school group, activities must center around the home as much as possible. This means the parents become the child's play leaders, or, where this is impossible, parents individually or by groups delegate the responsibility to trained leaders.

School Group. The dominant principle in the school group is trained leadership. We are already committed to this type of leadership in the public schools because of compulsory education. In this group, adult leaders, conscious of the child's needs, work out a program, classify the children, provide facilities, arrange for time in which to participate, and furnish leaders. It is assumed that play spaces and proper playground activities are the rightful heritage of every child.

Post-School Group. In the post-school group, an entirely different principle prevails. Individual leadership is no longer imperative. Participation is voluntary. In this situation the leader becomes an *organizer* rather than a teacher, and confines his efforts largely to self-organized groups. It is a much less expensive problem than handling the school-age group; the leader is dealing to a large extent with wage-earning adults and these activities should be largely self-sustaining and hence not a great burden to tax-levying bodies. Money raised from taxation for work in this group should be expended primarily for physical facilities and equipment and for the organizational facilities that are required to enable the self-organized groups to function freely.

Suggested Division of Administrative Authority. Below is shown a suggested division of authority based on age of participants.[1]

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[1] Jay B. Nash, *Organization and Administration of Playgrounds and Recreation, op. cit.*

[2] Examples of states with liberal statutes are Wisconsin, New Jersey, New York, Massachusetts, Iowa and California.

[3] Examples of states with liberal statutes are Florida, New Hampshire, West Virginia, Georgia, Indiana, Kentucky.

[4] Examples of states with liberal statutes are Florida, Iowa, Massachusetts, New York, Ohio, Utah, Wisconsin and Vermont.

[5] California by requiring certification sets specific playground leadership standards for school playground directors.

Age of Participants	
	Post-School Group
up 24 23 22 21 20 19	Organized by city park, playground, or combination of park and playground, or comparable department. Permits from school for use of school facilities when not otherwise in use. (Use municipal parks, municipal playgrounds, county, state and national parks and land to be leased or loaned.)
	School Group
18 17 16 15 14 13 12 11 10 9 8 7	Organized by the school on year-round basis. Under direction of certified instructors and supervisors. Permit from city when using land and equipment under its control. (Use school yards, gymnasiums, swimming pools, etc.)
	Pre-School Group
6 5 4 3 2 1	Organized in the neighborhood with parent coöperation. Assisted by civic organizations, playground and recreation commission, and board of education or any comparable department. (Use vacant lots, back yards, roof gardens, garden courts, play streets, etc.)

This division of responsibilities is suggested because the school district is in many cities a corporation and thus is a definite sub-division of the state and is quite distinct from the municipal corporation. There seems to be no possibility of the school completely delegating the use of its property, when not actually in use for public school purposes, to the city. Again there seems to be no possibility of the city completely turning over its playgrounds to the school. With this situation existing in many cities, there seems to be no solution except a division of responsibility.

The chart on page 491 shows the governmental set-up which would bring about the suggested division of authority between the city and the schools.

In some such plan as the above, the overlapping of responsibility could be avoided. Here the city under a distinct department could conduct recreational activities for adults and for family groups in such activities as camping, picnicking, etc. The school district under some department could organize play activities on the school grounds not only of the physical education type but of the musical, manual and nature study type. Family recreations might be organized by the school on its own property. With the inter-use of facilities by permission, responsibility would be even more definitely allocated.

The home must be helped by various governmental agencies to provide play for the pre-school group. Portions of school yards and of municipal playgrounds or parks may be utilized if they are easily accessible to the small child.

It is quite apparent that many school systems are not ready to assume responsibility for the play activities of the school-age child during the non-school periods. It is also apparent that certain school systems are heavily burdened with expenses which may for the time being make impossible the maintenance of an all-year-round play and recreation system. However, it is to be noted that the trend of the past decade has been for schools to assume this responsibility.[2] The attitude of

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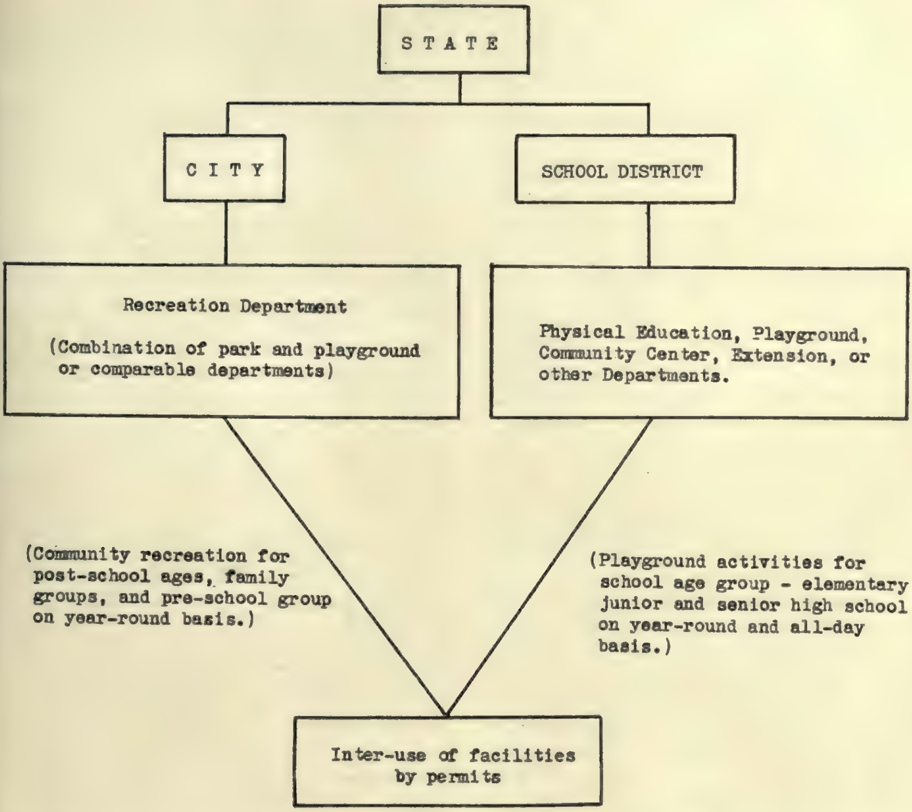
[1] This is not meant to limit or discourage the school from including in its official program recreational activities for adult or family groups. See suggested school code in appendix.

[2] Notable examples of places where the school is actually assuming such responsibility in various forms are Philadelphia, Chicago, Los Angeles,

Chart II


STATE
CITY
SCHOOL DISTRICT
Recreation Department
(Combination of park and playground or comparable departments)
Physical Education, Playground, Community Center, Extension, or other Departments.
(Community recreation for post-school ages, family groups, and pre-school group on year-round basis.)
(Playground activities for school age group - elementary - junior and senior high school on year-round and all-day basis.)
Inter-use of facilities by permits

the children in connection with playing on these school areas is noted on page 493.

Plan Would Solve Legal and Administrative Conflicts. One of the merits of the plan shown in Chart II is that much, if not all, of the legal confusion can be avoided. Responsibility can be centered in definite governmental agencies. This plan will also solve, to a large extent, many of the conflicts in administration which have centered around the following five major issues:

1. *Time.* Where two governmental agencies, such as the school and the municipal playground, are attempting to serve the school-age child, there arises a definite conflict relative to *time.* Both are competing for the child at the same hour; hence, there is a duplication of administrative machinery. This conflict is becoming more apparent as liberal school laws allow for the school facilities to be opened in the evenings and during the vacation period.

2. *Place.* Another definite conflict arises in connection with the *place* in which to conduct these activities. Forward-looking school authorities in this country are planning what they term adequate playground areas. If the

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Columbus, Wichita, Tulsa, Oakland, San Diego, Long Beach, Santa Monica, Montclair, Utica, Bronxville, Albany, and Cleveland to a considerable degree, and many of the counties in Maryland, Virginia, Pennsylvania, California, and other states.

municipality, on the other hand, duplicates this space, it will be an expensive process. Inasmuch as the schools usually are geographically located in accordance with population and needs, the school playground, where its area is sufficient, seems to be the logical play area for the school-age child.

3. *Organization of Activities.* The school, through its carry-over activities in the department of physical education, music, art, dramatics and handicraft, has very definitely come into contact with the whole recreational movement. The school can no longer resist the demand of the public for an extensive use of this plant. Duplication of administrative machinery, when other governmental groups not as well equipped to do the job, conduct these activities, is an expensive process.

4. *Organization of Participants.* All participants in activities must be classified in accordance with age and capacity needs, by the schools and any other governmental agencies. If two governmental agencies are to classify participants of the same age, then there will be conflict. If the school is allowed to classify the activities of the school-age group and the municipal agencies those of the adult group, some conflicts would be avoided.

5. *Leadership.* One of the most pertinent conflicts is in connection with leadership. If two governmental arms —the school and the municipality— are to deal with the school-age child, two sets of leaders must be employed on school days, one serving up until 3:15, and another serving from 3:15 until closing time. This provides two sets of part-time leaders. Especially for the municipality, it is impossible to get qualified workers to serve so few hours a day, as the pay must naturally be small for such length of service. As a result, no adequate training for the municipal playground leader can be expected because of the short period of service and the low salaries. The total result has been that most of our municipal playground leaders have continued for only a very limited time. The turn-over in many cities has been three or four a year on a particular playground.

Civil service has not been successfully used up to the present time in selecting capable leaders for very small children. Only eight per cent of the established playground and recreation systems in American municipalities are under civil service. Even in many of these cities the merit system is not very effective.[1] Recently, in a city with thirty-one wards, ninety-three playground positions were open. The executive officer of the city called together the thirty-one ward politicians and said, "There are ninety-three playground positions open in this city. That means three apiece for you." In many cities playground executives are wholly at the beck and call of ward politicians.

MANY MUNICIPAL PLAYGROUNDS HAVE HAD LIMITED USE

The municipal playground operated as an arm of the city, distinct from the school playground, has rendered a fine pioneer service. It has demonstrated beyond question the value of playgrounds. Because of the fact that these municipal open spaces were not always geographically located to meet the needs of the children, the municipal playground has not been able to extend its services to a large percentage of children even in the best organized cities. This is evident from observation of the number of children on the playground and the number on the streets. There are other reasons for this poor attendance, among which are incompetent leadership and unattractive grounds.

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[1] Taken from 1925 and 1927 Yearbook of the National Recreation Association.

1. A survey of the cities reporting playground attendance in the 1928 Yearbook of the Recreation Association of America for cities of under 30,000 population indicates that the average daily attendance of the children on the playground was 1.3 per cent of the children of school age.[1]

2. A survey of the cities reporting playground attendance in the 1928[2] Yearbook of the Recreation Association of America for cities of over 30,000 population indicates that the average daily attendance of the children on the playground was 6.1 per cent of the children of school age.[2]

3. The total attendance on municipal playgrounds in seven large cities with well-organized playground departments shows that the percentage of children reached daily was 4.2 per cent of the school population within a radius of one-quarter mile.[3]

4. By actual count on three New York City playgrounds it was found that the attendance at the busiest hour was 2.5 per cent of the school children within a radius of one-quarter mile.[4]

5. In another count in New York City, it was found that the attendance at certain municipal playgrounds was .8 per cent of the school children within a quarter-mile radius.[4]

6. By exact count it was found that the daily average attendance of three large playgrounds in a congested area was 5.5 per cent of the school children within a quarter-mile radius.[5]

It is apparent from the foregoing that the independent municipal playground is not under its present management adequately serving, from the standpoint of number, children of school age. There are many reasons for this. One is that as a rule municipal playgrounds are not geographically located to attract the children. A second is that many of the grounds are opened only in the summer months. The most important reason is that in many instances there is inadequate leadership.

SCHOOL PLAYGROUNDS MAY HAVE WIDER USE

Where schools work upon a definite plan, it has been found possible to secure a high percentage of play participation, not only within the school day but after the closing hour for the schools.[6] This is possible because school grounds are located where the need is greatest. The children are there on the ground and it is possible to organize them very efficiently. In many of the schools, schedules are arranged in connection with the regular school program, and the after-school participation becomes a very natural part of the total school day. This program naturally flows over into the playground activities of the summer months.

Where Do Children Want to Play? The claim has often been made that children do not want to play on school grounds because they have been there all day, and have seen enough of their teachers. To determine the facts on this point, some 14,000 children were interviewed relative to their preference.[1] This survey demonstrated that children like to play where they have regular league games and where there are other children to play with. Approximately 40 per cent indicated very positively that they liked to play where they have the most games, and only 4 per cent indicated that they did not like to play at school because they had been there during the day.

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[1] This survey was made by taking the average playground attendance in the cities under 30,000, reporting in the 1928 Yearbook, and comparing this average daily attendance with the average daily attendance in the schools.

[2] This survey was made by taking the average playground attendance in the cities over 30,000, reporting in the 1928 Yearbook, and comparing this average daily attendance with the average daily attendance in the schools.

[3] This survey was made by Jay B. Nash with the assistance of playground officials in seven cities. A detailed study was made of the average daily attendance and this was compared with the average daily attendance of the schools. In order to check the number, actual counts were made.

[4] A study made in New York City by the Russell Sage Foundation.

[5] This study was made by Jay B. Nash in connection with three large playgrounds in Oakland, California. The average daily attendance was compared with the school children within the quarter-mile radius.

[6] This plan has worked out very satisfactorily in Los Angeles, California; Tulsa, Oklahoma; Gary, Indiana; Bronxville, New York; Montclair, New Jersey; Columbus, Ohio, and many other places.

Somewhat similar questions were asked of approximately 1,500 mothers through the aid of parent-teacher associations in various parts of the country. The mothers indicated that they would like to have their children play where there was good supervision and at places where they knew with whom their children were playing. Not a single mother out of the 1,500 indicated any objection to having their children play on the school grounds because of school discipline.[2]

The general thesis that the playground activities of the school-age child should be administered by the school is indicated by a survey of 67 cities over 100,000 population conducted by some of the officials of St. Paul.[3]

The *Michigan Municipal Review* for June, 1930 indicates progress in connection with unification of recreation work in Lansing, Michigan. The bulletin of the Portland (Oregon) City Club for July 11, 1930, also urges centralization of authority over a greater use of school and city facilities.

Leading city planners likewise believe that schools should be made responsible for the play of the school-age child. This proposal has been endorsed by Harland Bartholomew, St. Louis; the late George B. Ford, director of the Regional Planning Association of New York; John Nolen, of Cambridge, Massachusetts; Charles H. Cheney, of Los Angeles; and Professor Henry V. Hubbard, of Harvard University,—all outstanding authorities.

> Said Mr. Bartholomew: I agree most wholeheartedly that responsibility for recreation of the child of grade-school age should center around the school authorities. The child's life centers around the public school throughout the greater part of the day for nine months of the year. It is both wasteful and futile to attempt to set up a separate independent physical plant (such, for instance, as municipal playgrounds) for the nine months' school period or for the short summer session.
>
> Mr. Nolen says on the same point: We feel that the use of school playgrounds at all times, especially in vacation periods, is an economic measure, and that it tends to give the school a new significance as a community center for the neighborhood.
>
> Mr. Cheney thinks that the only logical place for the child of school age to play is the school playground. Play areas are essential here for school purposes. It is a criminal waste not to have these open after daylight all of the year. Providing other play areas is useless duplication, not only of areas, but of administrative overhead. If the school cannot because of finances immediately assume this responsibility, the joint plan to eliminate duplication of areas and duplication of administrative overhead is the only solution.

L. H. Weir, the representative of the National Recreation Association, who conducted the elaborate park survey during the years 1926 and 1927, said in his report:

> The distribution of primary schools, of com-

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[1] The answers were gathered from New York City; Houston, Texas; Rochester, N. Y.; Los Angeles, Calif.; Oakland, Calif.; San Diego, Calif.; Albany, N. Y.; Salt Lake City, Utah; Montclair, N. J.; Glenview, Ill.; Pasadena, Calif.; Yonkers, N. Y.; and Chicago, Ill.

[2] Survey made by Jay B. Nash in the year 1929.

[3] See *Mind and Body*, March 24, 1930, pp. 129–130.

> bined primary and intermediate schools, and, to a lesser degree, of the junior high schools, is based upon reasonable walking distance from the homes of the children. This applies to the rural district except in the case of the consolidated school, as well as in towns or cities. This principle of reasonable walking distance is exactly the principle fixed upon by the city planners and recreation planners for the distribution of children's playground areas.[1]

Elsewhere he says:

> There appears to be no fundamental reason, however, why in the average community a school building cannot provide the necessary facilities for indoor activities and needs of the children on the school playground.[2]

The school can practically universalize play opportunities for children, as illustrated by the activities of the states of Maryland, California and Virginia, and the cities of Wichita, Kansas; Oakland, California; Columbus, Ohio; Niagara Falls, New York; Los Angeles, California; and Philadelphia, Pennsylvania.

Minneapolis is a striking example of park departments or municipal playground departments which have been able to reach a large percentage of the school-age group. It should be noted, however, Minneapolis has definitely planned to locate play areas within easy reach of all communities. Playground facilities for the school-age group in Milwaukee are provided by the extension division of the board of education.

SCHOOLS CANNOT PROVIDE A COMPLETE COMMUNITY RECREATION PROGRAM

While now properly equipped to reach the school-age group and contribute to the adult program also, there seems to be no likelihood that the schools will organize a real program of community recreation beyond the bounds of their property. By "community recreation" is meant that great range of activities for the adult and the family units, such as golf, tennis, bowling on the green, fly-casting, camping, horseback riding, community music, dramatics, etc. Such activities must be centered in large parks and reservations often in coöperation with national, state and county units, and necessitate the equipping of these large areas with stadia, museums, botanical gardens, zoological gardens, golf links, camps, swimming pools, bridle paths, picnic grounds, children's theatres, municipal auditoriums, etc.

The school is sufficiently burdened today with the task of organizing play activities for the school-age group. Its finances will not permit any major extension of activities except the use of the school plant for play purposes on non-school days.

THE MORE EXTENSIVE FACILITIES FOR COMMUNITY RECREATION SHOULD BE PROVIDED BY MUNICIPAL GOVERNMENT

In this situation the combined park and playground departments have an unlimited opportunity in the adult and family leisure-time field. Properly organized, this department could be of almost universal service to the community. Relieved of the intensive supervision of playground activities as organized by the school, special attention could be given to the service needs represented by the adult and family groups. Examples of this broad service are today found in the park departments in Chicago, the recreation department in Los Angeles, the Playground and Athletic League in Baltimore, the park department in Portland, and elsewhere,

In many cities it would be possible at the present time for the municipal government to assume the responsibility for providing recreation for the adult group. Some recreational departments are well financed and are in the hands of exceptional leaders. In setting up a division of responsibility, the aim should be to eliminate overlapping, to cut down administrative conflict and to keep the administrative machinery as simple as possible. Many types of coöperation may be effected pending a final solution. Several types of coöperation are suggested below.

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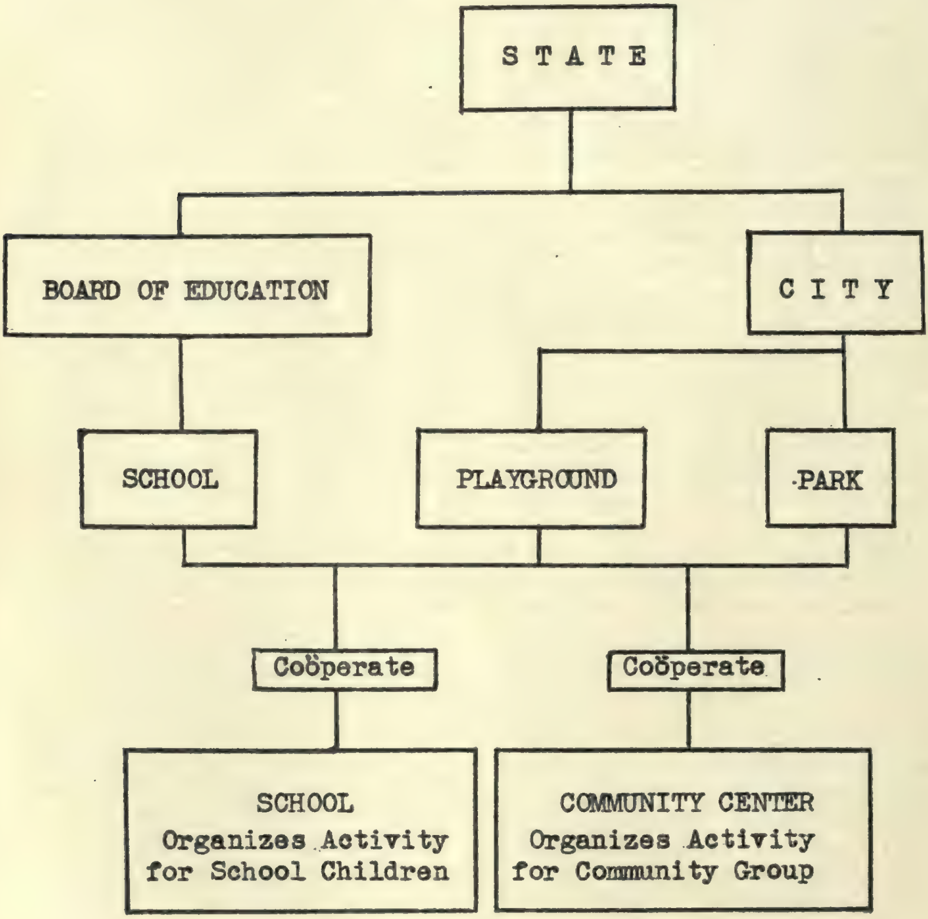
[1] *Parks—A Manual of Municipal and County Parks*, edited by L. H. Weir. A. S. Barnes & Co., New York, 1928, Vol. 1, p. 18.

[2] *Ibid.*, p. 125.

In a city where with a municipal playground department, a municipal park department and a school department, all organizing playground and recreational activities, coöperation might be secured in accordance with plan number 1. The school board and the municipal playground authorities might concentrate their activities in the hands of one executive, as is the practice in Oakland, California; Winston-Salem, Houston, Tampa, Detroit,

Chart III

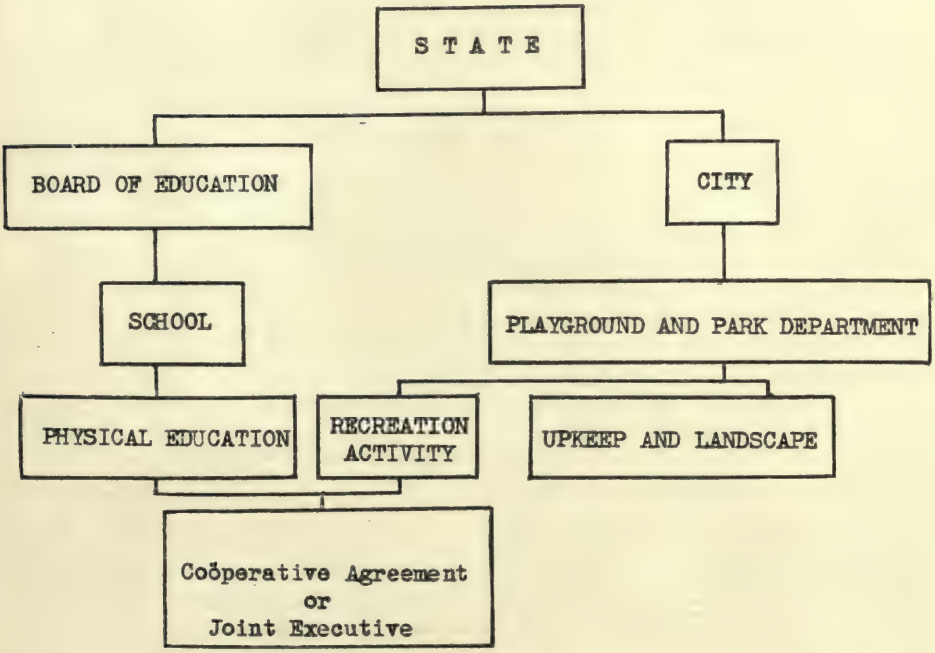
Coöperative Plan No. 1


STATE
BOARD OF EDUCATION
CITY
SCHOOL
PLAYGROUND
PARK
Coöperate
Coöperate
SCHOOL Organizes Activity for School Children
COMMUNITY CENTER Organizes Activity for Community Group

Salt Lake City, Pittsburgh, Oklahoma City, Cleveland Heights, and Erie, Pennsylvania.

Chart IV

Coöperative Plan No. 2


STATE
BOARD OF EDUCATION
CITY
SCHOOL
PLAYGROUND AND PARK DEPARTMENT
PHYSICAL EDUCATION
RECREATION ACTIVITY
UPKEEP AND LANDSCAPE
Coöperative Agreement or Joint Executive

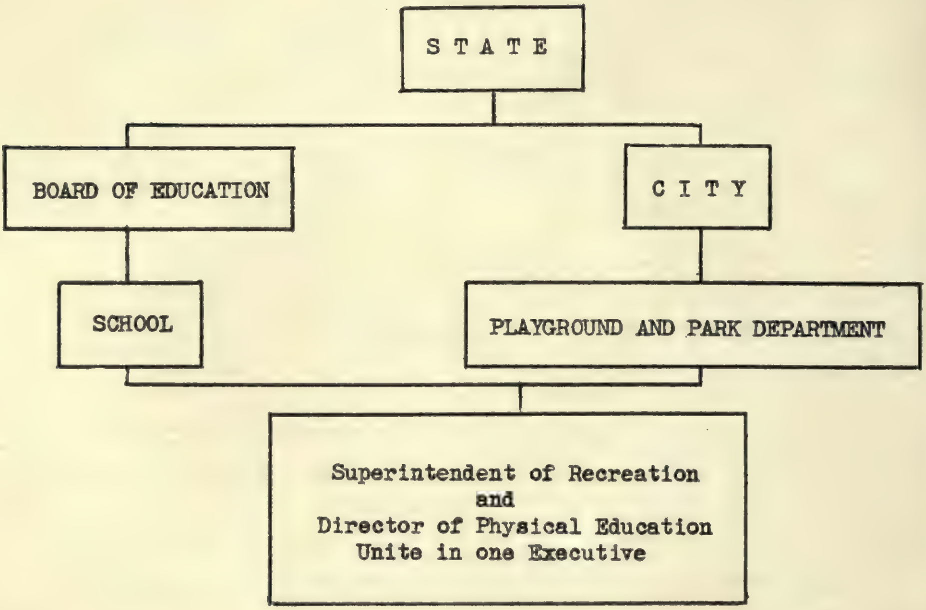
Where a combined municipal playground and park department exists, the solution is much simpler as illustrated by coöperative plan number 2. The recreation activity of the municipal department could be tied closely with the school by means of a joint executive or by means of a general coöperative agreement whereby the school took care of certain responsibilities and the municipality certain others. Examples of such plan are found in Dallas, Pasadena, Milwaukee, Denver, Grand Rapids, Battle Creek, Newark, Ithaca, Montclair, N. J.; El Paso, and Windsor and Kitchener, Canada.

Where all the municipal play and recreation functions are combined in one department, it would be possible to unite all of the activities of this department with the carry-over activities of the school by means of a joint executive, as illustrated by coöperative plan number 3. This would be particularly applicable to cities ranging up to a population of 250,000. Examples of such plan are found in Long Beach, San Diego, Berkeley, and Santa Monica, California; and Tucson, Arizona.

One of the most urgent problems connected with the growth of cities is the provision of adequate spaces in which children's play activities can be conducted under skilled leadership. There are today indications that taxpaying groups in many of our cities are unwill-

Chart V

Coöperative Plan No. 3


S T A T E
BOARD OF EDUCATION
C I T Y
SCHOOL
PLAYGROUND AND PARK DEPARTMENT
Superintendent of Recreation
and
Director of Physical Education
Unite in one Executive

ing to increase their expenditures for facilities, equipment and leadership in the field of public play and recreation until every effort is made to use to their utmost capacity the facilities now provided. Economy not only demands the utmost use of existing facilities but a clarification of essential responsibilities such as suggested in this report, thus preventing needless duplication of services and capital outlays resulting in needless waste of taxpayers' money.

The appendix which follows sets forth the recommended administrative and legal set-up necessary to carry out the principles advocated in this report.

The suggestions in the appendix are made not only to broaden the powers of individual governmental arms but to give additional power for coöperation to meet the special needs of local communities. It is recognized that there is no universal solution of the problem at the present time.

APPENDIX

LEGAL MACHINERY NECESSARY TO CARRY OUT THE PRINCIPLES ADVOCATED IN THIS REPORT

The procedure for putting into effect the principles discussed above may be provided in several ways. In states with constitutional home rule provisions which allow cities to frame their own charters, there is little difficulty. In other states legislative enabling acts may be passed to give cities of various classes blanket power. The enabling act may be so worded that it also becomes a part of the school code and this applies also to boards of education.[1]

HOME RULE

Extension of the home rule principle is a necessary step to efficient local government. In many of the states where home rule is granted to local governmental units, it should be extended to include more units and especially the smaller ones. This may well be done without loss of the valuable services which the state may render in the establishment of certain state-wide standards of health, education and utility regulation.

The accompanying digest of laws indicates that home rule has allowed municipalities greater latitude in operating playgrounds.

RECREATION ENABLING ACTS[2]

A broad recreation enabling act should give to the governing bodies of the various local governments of the state blanket power to expend money raised by taxation for the establishment of playgrounds and recreation centers without approval by local referendum.[3]

Suggested Provisions of Enabling Act. The enabling act should give broad latitude to the local community to carry out the intention of the act in the most convenient manner. The exact wording of the act will of necessity have to conform to the basic law of the state. The provisions which follow are merely suggestive and should not be taken literally. Enabling acts should be clear on the following points:

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[1] To make sure, however, that local communities have the legal right to expend tax money for the conduct of playground and recreation activities, Professor C. W. Tooke, of New York University Law School, believes that a state should have constitutional home rule provisions and, in addition, an enabling act passed by the legislature. In a letter to the writer dated February 6, 1929, he says:

> In all the constitutions giving to the electors of a city the power to frame and amend the charter, a reservation is made that it shall be consistent with the constitution and general laws of the state. Subject to this restriction, such constitutional home rule provisions vest in the local electors the legislative power of the state. The sphere of local home rule thus created necessarily cannot be fixed, but *will vary from time to time* as the policy of the state may change to meet new conditions. Generally, we say that the home rule provision gives the electorate the full legislative authority to create and amend charters, but subject to the existing general laws and those that may be later enacted. Thus, if there were no general enabling statute, the local electorate might confer powers upon the city to the same extent as the legislature could upon municipalities not under home rule charters. Certain powers for the time being may be held to be exclusively within the option of home rule, but the policy of the state may change and a given power cease to be purely municipal. This policy of the state is expressed in general statutes, which may enlarge the police power of the state. Many of the early general zoning ordinances were held to be unconstitutional by the state courts, but, after a general enabling statute was passed, were later upheld by the same courts.

[2] For full text of recreation enabling acts, see Jay B. Nash, *Organization and Administration of Playgrounds and Recreation, op. cit.*

[3] If each governmental unit is required to hold a special referendum to authorize the expenditure of tax money for playgrounds, progress will be slow because of the cumbersome process involved.

1. *Governmental units affected.* The bill should be sufficiently broad to include cities of various classes, towns, townships, villages, counties, school districts, and other local governmental units of the state.[1]

2. *Acquisition of land and buildings.* Local governing bodies should have the power to set aside in perpetuity, or for a definite period of time, any land which may now or hereafter belong to the government. The governing body should also be authorized to receive donations of land, to lease land, or in any other legal way to gain control of land *within or without the city* in accordance with the law of the state.[2]

3. *Government structure.* Ample leeway should be allowed in the act so that control may be vested in the department of recreation, department of parks, department of parks and recreation, school department, or any other appropriate existing department, board or commission.[3]

Where a special commission is appointed, it should be advisory, and its members should serve without pay for possible terms of five years. It is preferable to stagger the terms of such board members.

4. *Power to expend tax money.*[4] Local governments should be authorized, on the initiative of the governing body, to provide for the financial support, establishment, and maintenance of the various types of playground and recreation centers, including the employment of directors, assistants and staff members, and the purchase of necessary equipment and supplies. The board of education should have power to appropriate money from any available state or local funds.

5. *Types of activities.* The governing body should have power to organize and conduct all phases of play and recreational activities, physical training, athletics, sports, games, league tournaments, or any other activities which in the judgment of the governing body shall promote the health, morals, education, welfare or culture of the inhabitants of the city.[5]

6. *Duties and powers.* The governing body should have power and authority to provide, establish, maintain, conduct, or supervise all of the activities enumerated above. It should be authorized to receive gifts, bequests of money, or any donation for temporary or permanent use.

7. *Joint control.* The enabling act should provide that any two or more cities, towns, counties or school districts may jointly establish and conduct a system of recreation and playgrounds and may exercise all the powers granted by the enabling act. The act should authorize joint action by any two arms of the municipal corporation or joint action by an arm of the municipal corporation and board of education.[6]

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[1] See the enabling acts in Illinois, Michigan, New Jersey, New York, Ohio, Pennsylvania, Utah, and West Virginia.

[2] On this point, see the enabling acts in Florida, Illinois, Massachusetts, Michigan, Ohio, and West Virginia.

[3] See the laws of Florida, Georgia, Louisiana, Massachusetts, New Hampshire, New York, and West Virginia.

[4] This should include the power to vote bonds for acquiring lands, buildings and other permanent property.

[5] For examples of broad provisions, see laws of Connecticut, Indiana, New Hampshire, New Jersey, Pennsylvania, Utah.

[6] Limited provisions for such joint action are

8. *Initiation of action by the people.* It should be possible for local communities to force governing boards to give effect to provisions of the enabling act. A petition signed by the requisite percentage of the qualified voters should be sufficient to require the governing body to submit the provision to referendum vote.[1]

SCHOOL CODES [2]

Scope of Authority of School Boards. Several problems arise in connection with the administration of playground and recreation activities by boards of education. These problems concern the scope of authority of the school board over expenditures for the following purposes:

1. *Authority to expend school money for playgrounds on legal school days.* The power to conduct playground activities on school grounds on legal school days seems to be generally accepted throughout the country. Although in some states there seems to be no legal justification for the practice, it has never been questioned.

2. *Authority to expend money raised by the municipality for playgrounds.* It is clear also that school boards are authorized to expend for playground and recreation money which has been raised by the municipal government and which has been turned over to the school board for such purpose. Such practice is authorized in Florida, Illinois, Indiana, Kentucky, Massachusetts, New York, North Carolina, Oklahoma, Rhode Island, Vermont, Virginia, West Virginia and some other states.

3. *Authority to expend school money for playgrounds on non-school days.* Does the school board have authority to expend school money, raised for the general support of education either from local or state sources, for playground and recreational activities on the school grounds and in school buildings on non-school days? Legal sanction for such expenditures is difficult to find. The commissioners of education in Vermont, Michigan, Ohio, Pennsylvania, Rhode Island, Connecticut, New Jersey, Arizona, Kansas, California, Minnesota, New York, Oklahoma, and Wisconsin feel that local boards have such power. These, it will be noted, are to a large extent states where broad home rule provisions exist, and, in many instances, where there are special enabling acts. The legality of using school money for the conduct of playground activities on non-school days is seriously doubted in many states. In an even greater number of states the school superintendents or the attorneys-general doubt the existence of any power to spend school money on non-school days.

Opinions of State Superintendents of Schools. The viewpoints of certain superintendents of schools are here noted:[1]

Alabama—The school laws of Alabama do not authorize the appropriation of public school funds to employ teachers and purchase athletic supplies for use on days when the school is not actually in session.

Delaware—School laws of Delaware make no provision therefor.

Florida—Our statutes do not appear to contemplate the use of tax money for the employ-

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found in the laws of Florida, Illinois, Indiana, Massachusetts, New York, Ohio, Utah, West Virginia.

[1] Examples of such initiative provisions are found in the laws of Florida, Georgia, Illinois, Indiana, Iowa, New York, Virginia and West Virginia.

[2] In some states the board of education may find in the general statutes the authority to conduct certain playground and recreational activities.

[1] Quoted from letters to Jay B. Nash, 1929.

ment of teachers nor for the purchase of athletic supplies for the use of school playgrounds after the regular school session of school days.

Idaho—The law makes no provision whereby moneys may be used for hiring of teachers for the supervision of playgrounds for Saturdays and vacations.

Mississippi—The school laws of Mississippi do not permit the expenditure of public school funds for playground activities during summer vacation and on Saturdays.

Montana—As our school law now stands, I believe it is legal to purchase equipment for playground use for Saturdays and vacations, but I do not think we are authorized to spend money for an instructor during the summer vacation.

Nevada—I mean by this that equipment and playgrounds are available to the children of this state after school hours, quite often on Saturdays and during the short vacations in the school terms; however, I do not know of any school employing a regular athletic or playground supervisor during the summer months and I do not think that children have access to playground and equipment during the summer months.

New Hampshire—I think expenditure for playgrounds in the summer time is illegal.

North Carolina—So far as I know, there is no legal authority for the employment of teachers and supervisors on summer playgrounds.

Tennessee—Inasmuch as the Tennessee laws are silent on this subject, we doubt the legal right of school authorities in this state to make such appropriations.

Texas—I am inclined to the opinion that the school laws of this state do not authorize the expenditure of tax money for the support of playgrounds on the school yards during the summer vacation.

Washington—No regular routine school activities are permitted upon Saturdays or certain designated school holidays, nor are school boards authorized to make expenditures for school purposes on those days. This also applies to vacation periods.

Wyoming—We have no law covering this matter.

Opinions of State and Attorneys-General. The power of the schools to expend money on summer playgrounds is also denied by the attorneys-general in the following states:[1]

Florida—It would not be legal under our laws to use any part of the school moneys for the support of playgrounds by themselves, although of course such moneys can be used for the support of playgrounds in connection with the operation of the schools, as that would be a part of the expense of maintaining a school.

Georgia—The school funds of this state, so far as they are controlled by municipalities, would be available, under their rules, for contribution to the support of playgrounds; but the money going to the public schools of the state through the county boards of education would not be available, under the present laws, to support enterprises of that character.

Iowa—Under the laws of this state and under the rules of this department, school boards cannot purchase athletic equipment for use in the schools either in regular school session or during the summer.

Kentucky—Under the present Kentucky laws, it would not be legal for tax money raised for school purposes to be expended to maintain such playgrounds when the regular school term has ended.

South Dakota—So far the school laws have not provided for expenditure of money raised by public taxation for summer playground purposes. Without such law it would, of course, not be legal in this state.

Tennessee—There is no specific authority under our school law for the expenditure of school money for the support of playgrounds in the school yards during the summer vacation and on Saturdays.

West Virginia—The school laws of this state do not authorize the expenditure of money for playgrounds on school property during summer vacation, nor the employment of teachers and the purchase of athletic supplies when school is not in session.

Suggested Provisions for School Code. It is very important that all general provisions in the school code in relationship to community centers, extended use of the school plant, vacation schools, school playgrounds, etc., should be classified and codified. The school code should definitely include the following points:

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[1] Quoted from letters to Jay B. Nash, 1929.

1. *Governing boards.* Local boards of education should be given broad authority to conduct play and recreational activities for children and adults on any and all types of school property, on any school day or non-school day, using any state, county, or district money which may be available for educational purposes.[1]

2. *Facilities.* The school code should make clear that all school facilities, including auditoriums, gymnasiums, swimming pools, shops, laboratories, and other rooms, together with school yards, shall be at the disposal of the community when not in actual use for other purposes prescribed by law.

3. *Groups to be served and types of activities.* The school code should prescribe that these facilities should be made available to any group of citizens formed for recreational, educational, political, economic, artistic, cultural or moral activities.

4. *Initiation of activities.* School codes should be so broad that boards of education may on their own initiative conduct the activities referred to above. It should also provide that these boards shall, upon petition of the requisite percentage of qualified voters, submit the question of exercising the powers granted for any specific purpose to the vote of the people.

5. *Coöperation with other governmental units.* The school code should authorize the coöperation of boards of education with other boards of education or with any other governmental commissions or boards having the custody and management of public parks, playgrounds, libraries, museums, recreation centers, etc.

6. *Financial support.* The school code should authorize financial support of activities outlined in the act in the same manner as all other money for public education is acquired. Playground activities operated on any day of the year should be considered educational activities if so designated by the local boards of education, so that state, county, or district money may be expended for their support. Boards

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[1] In Michigan, "any school district may operate a system of public recreation and playgrounds, and may vote a tax to provide for the operation of same." In New York, "schoolhouses and the grounds connected therewith and all properties belonging to the district shall be in the custody and under the control and supervision of the trustees or board of education of the district. The trustees or board of education may adopt regulations for the use of such schoolhouses, grounds or other property, when not in use for the school purposes." New Jersey provides that: "the board of school estimate shall fix and determine the amount of money necessary to be appropriated to the board of education for the use of such public playgrounds and recreation places for the ensuing year, the amount so fixed and determined to be included in the certificates of the amount of money appropriated for the use of the public schools in such district for the ensuing year, and the board of commissioners or other governing body of such municipality shall appropriate said amount in the same manner as other appropriations are made by it, and said amount shall be assessed, levied and collected in the same manner as moneys appropriated for other purposes in such municipality shall be assessed, levied and collected, under the same conditions and with the same restrictions as now exist in such municipality." On the other hand, Maine provides that: "Amounts received by the towns from the state school fund may be expended by said towns, in conjunction with such funds as the towns shall raise and appropriate, for the following purposes in both elementary and secondary schools: the payment of teachers' wages and board, fuel, janitors' services, conveyance, tuition and board of pupils, textbooks, reference books and school supplies for desk or laboratory use. The unexpended balance of all moneys raised by towns or received from the state for the above purposes shall be credited to the school resources for the year following that in which said unexpended balance accrued."

of education could then establish playgrounds just as they equip chemistry laboratories, or establish a department of manual training or music.

7. *Certification of teachers.* The school code should set a minimum educational qualification for teachers at the playgrounds, recreation centers, and other places where recreational activities are conducted.[1]

8. *Time for conducting activities.* The school codes should authorize boards of education to conduct play and recreational activities for children or adults on regularly established school days, on non-school days, in the afternoon or evening of the same, or at any time deemed wise by the said board.[2]

CITY CHARTERS

Suggested Provisions for City Charters. The charter should provide for the play and recreation system, and should specify the department or board which is charged with its administration. The charter should have the following general provisions.

1. *General powers.* In the general section of the city charter, apart from

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[1] An example of an approved certification law is that of California:

A credential, valid for directing activities on a school playground which is open to the public outside of school hours, may be granted to an applicant who presents:

I. A certificate from a physician licensed to practice medicine and surgery certifying that the applicant is physically and mentally fit to direct activities on a school playground.
II. A recommendation from the school superintendent or employing principal in the city or district in which the playground is situated that the credential be granted for a specific position.
III. Two years of college training, or its equivalent, beyond graduation from a four-year high school.
IV. A minimum of four semester hours chosen from the following: (1) principles of community recreation; (2) technique of teaching games of low organization; (3) community dramatics; (4) community music; (5) handicraft; (6) story telling.

This credential authorizes the holder to direct activities on a school playground, and is not valid for teaching any part of the physical education program connected with the public schools.

This credential will be granted for a period not longer than one year, and may not be renewed. A full form of application will be required each year.

[2] As an example of school codes which fulfill to a large extent the provisions here suggested, the following clauses are cited from the laws of Wisconsin, relating to common schools:

Section 43.50 *Use of school buildings and grounds for civic purposes.*

(1) Boards of school directors in cities of the first, second or third class may, on their own initiative, and shall, upon petition as provided in subsection 2, establish and maintain for children and adult persons, in the school buildings and on the school grounds under the custody and management of such boards, evening schools, vacation schools, reading rooms, library stations, debating clubs, gymnasiums, public playgrounds, public baths and similar activities and accommodations to be determined by such boards, without charge to the residents of such cities, and may coöperate, by agreement, with other commissioners or boards having the custody and management in such cities of public parks, libraries, museums and public buildings and grounds of whatever sort, to provide the equipment, supervision, instruction and oversight necessary to carry such public educational and recreational activities in and upon such other buildings and grounds. (2) Upon the filing of a petition with the city clerk, signed by not less than ten per cent of the number of voters voting at the last school or other election in such city, the question of exercising the powers granted for any of the purposes specified in subsection 1 shall be submitted to the electors of the school district at the next election of any sort held therein, and if a majority of the votes cast upon such question shall be in the affirmative, the board of school directors shall exercise said powers in accordance with said petition, pursuant to this section.

the section on recreation, the general powers of the city should refer to control over recreational facilities. The Oakland, California, charter, for example, gives the city the power, among other things, to "maintain all other public buildings, places, works, institutions, and establishments whether situated inside or outside of the city limits, which may be necessary or convenient for the transaction of public business or for promoting the health, morals, education, or welfare of the inhabitants of the city for their amusement, recreation, entertainment or benefit."

2. *Combination of park and playground activities under a recreation department.* If this is to be done, it must be specified by the charter.[1]

3. *Use of inclusive terms.* Narrow terms that are difficult to define should never be used. The term "children's playground" is an example. It is advisable to use phraseology as follows:

> All parks, squares, plazas, public pleasure grounds, public playgrounds, recreation centers, and summer camps now or hereafter owned or controlled by the city, either within or without its limits, shall be under the exclusive control and management of the board of park and playground directors or recreation department. Said board shall have supervision, direction, and control of all games, recreation, athletic sports, physical exercises, and social activities to be conducted in any of the parks, playgrounds, or recreation centers of the city. Said board or department shall have power to organize and conduct physical training and exercises, athletics, sports, games, leagues, tournaments, and pageants in and upon the playgrounds and recreation centers owned or controlled by the city, and also in and upon other grounds, athletic fields, gymnasiums, swimming pools, and other suitable playground facilities for such purpose. Said board or department shall also have power to organize and conduct walking and other outing excursions and events to points either within or without the city limits.

4. *Authority to use other city or private property.* It will be to the advantage of the city to be able to use church gymnasiums, athletic fields, and other types of private property on a lease or a loan basis. The following phraseology is suggested:

> The city council shall have the power by ordinance to set aside, either in perpetuity or for a definite period of time, any lands belonging to the city for use as parks, public playgrounds, recreation centers, and summer camps, and the same shall be under the exclusive control and management of the board of park and playground directors or recreation department. Said board or department may also make contracts for the temporary use of parks, playgrounds, camp sites and of grounds, athletic fields, gymnasiums, swimming pools, and other suitable places for the conduct of leagues, tournaments, pageants and other recreational activities.

5. *Power to make rules.* The charter should give the board of park and playground directors or recreation department the power to establish rules and regulations and the power to enforce these rules. The following wording is suggested:

> The board or department shall adopt rules and regulations for the government of the aforesaid parks, playgrounds, recreation centers, and summer camps, and for the conduct of the aforesaid activities, leagues, tournaments, pageants, and excursions, not inconsistent with the ordinances of the city or of the laws of the state or with this charter.

6. *Power to receive gifts.* The following phraseology is suggested:

> The city council may, in behalf of the city, receive donations, legacies, or bequests for the improvement or maintenance of said parks, playgrounds, recreation centers, and summer camps or, for the acquisition of land for new playgrounds, recreation centers, and summer camps; and all moneys that may be derived from such donations, legacies, or bequests shall be deposited

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[1] See Alabama playground and recreation enabling act as an example of legislation authorizing this; reprinted in Jay B. Nash, *Organization and Administration of Playgrounds and Recreation.*

> in the treasury of the city, and shall be withdrawn therefrom and paid out only in the same manner as is provided for the payment of moneys legally appropriated for the support and improvement of such playgrounds, recreation centers, and summer camps. If the moneys derived from such gifts, bequests, or legacies shall at any time exceed in amount the sum necessary for the immediate expenditures for the acquisition, maintenance, or improvement of land for parks, playgrounds, recreation centers, and summer camps, the city council may invest all or a part of the sum in interest-bearing bonds of the United States or of the state or of any municipality or school district thereof.

7. *Revenue from income-producing activities.* All money collected from income-producing recreational activities should be deposited in the general fund of the city to be expended in the regular manner; but the income from such source should be clearly shown as a separate recreational revenue in the annual budget, and the cost of such revenue-producing activity should also be shown in the schedule of expenditures of the operating department.

8. *Coöperation with other municipal departments and boards of education.* The Fort Worth, Texas, city charter, for example, gives the park board the

> . . . power, with the consent of the school board, to organize and conduct play and recreational activities on grounds and in buildings under the control of the school board, provided that nothing in this section shall be construed to abridge the power of the school board to refuse the use of any of its grounds or buildings; it shall have power to equip, operate, supervise and maintain playgrounds, athletic fields, swimming centers and other recreation facilities on or in properties under the control of the park board; it shall have the power to take charge of and use any grounds, places, buildings or facilities which may be offered, either temporarily or permanently, by individuals or corporations, or other person whomsoever, for playground or recreational purposes.

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CONTENTS

EDITORIAL COMMENT . . . . . H. W. Dodds 507
MAINE'S ADMINISTRATIVE CODE . . . . . E. F. Dow 511
HOW INDIANAPOLIS COMBINES POOR RELIEF WITH PUBLIC WORK . . . . . William H. Book . . 513
BRAIN MUDDLE IN CHICAGO . . . . . Herbert D. Simpson 518
TAX INVESTIGATIONS IN TWENTY-SIX STATES . . . . . George A. Graham . . 523
STATE CENTRALIZATION IN NORTH CAROLINA . . . . . Paul W. Wager . . . 527
THEORY AND PRACTICE IN BUILDING LINES UNDER EMINENT DOMAIN—A SUPPLEMENT . . . . . Herbert S. Swan . . . 557

DEPARTMENTS

I. Recent Books Reviewed 531
II. Judicial Decisions . . . . . *Edited by C. W. Tooke* 537
III. Public Utilities . . . . . *Edited by John Bauer* 543
IV. Municipal Activities Abroad . . . . . *Edited by Rowland A. Egger* 547
V. Governmental Research Association Notes . . . . . *Edited by Russell Forbes* 550
VI. Notes and Events . . . . . *Edited by H. W. Dodds* 554

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THE LEAGUE'S BUSINESS

Committee on Nominations.—Richard S. Childs, president, has appointed the following as the committee to nominate officers for the coming year: Louis Brownlow, Public Administration Clearing House, *chairman;* H. S. Buttenheim, editor of the *American City;* C. A. Dykstra, city manager, Cincinnati, Ohio; Mayo Fesler, the Citizens' League, Cleveland; and C. E. Merriam, the University of Chicago.

This committee will nominate candidates for the office of president, first and second vice-presidents, five or more honorary vice-presidents, ten members of the council for three-year terms ending in 1934, and one member of the council for a two-year term ending in 1933 to fill a vacancy existing by reason of resignation. The report of the nominating committee will be published on this page in a later issue and will be submitted to the membership at the annual meeting to be held in Buffalo, New York, on November 9, 10 and 11.

*

Program for Thirty-seventh Annual Meeting.—The program for the National Conference on Government, which will be the thirty-seventh annual meeting of the National Municipal League, is now in tentative form. It provides for separate meetings for each of the organizations sponsoring the Conference which, in addition to the League, are the National Association of Civic Secretaries, the Governmental Research Association, the American Legislators' Association and the Proportional Representation League. Among the subjects to be discussed are the following: What's Wrong with Our Courts and Police, The Non-Partisan Ballot, Reducing Governmental Costs, Government in Depression, Delinquent Tax Administration, The Urban-Rural Conflict in Government, Progress in Measurement of Government Services, County Government, and the Shame of the Cities—and What Came of It.

Harry H. Freeman, director of the Buffalo Municipal Research Bureau, is organizing a committee on local arrangements and is preparing an attractive program of entertainment, including a sightseeing trip to Niagara Falls and a dinner in Niagara Falls, Canada, on the afternoon and evening of November 10. The detailed tentative program will be distributed to our membership direct by mail in October.

*

New Campaign Booklet.—We have just published a new campaign booklet entitled *Answers to Your Questions About the City Manager Plan.* It gives brief answers to twenty-four questions which are most commonly asked by voters during a campaign. The Secretary's office will gladly send a copy of this new booklet to any member who writes for it.

*

History of National Municipal League Now in Preparation.—Frank M. Stewart, professor of government at the University of Texas, is now engaged in the preparation of a history of the National Municipal League. This study, when completed, will be a companion volume to Professor Stewart's book on the *National Civil Service Reform League* which has won wide respect for its completeness and scholarship. Professor Stewart is undertaking this large and difficult task for us as a labor of love because of his interest in research and his faith in the worthwhileness of the project. He is making a thorough study of every phase of the work in the Secretary's office, is talking with officers and leading members about the past and the future of the League, and is making a study of the records and files of Clinton Rogers Woodruff, secretary of the League from its organization in 1894 to 1920.

Any member having material bearing on the early work of the National Municipal League is asked to send it to the Secretary's office for use in the preparation of the history.

Russell Forbes, *Secretary.*

NATIONAL MUNICIPAL REVIEW

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EDITORIAL COMMENT

Taxpayers Support Too Many Layers of Local Government "No citizen of New York can live under less than four governments, federal, state, county and city. If one lives in a town outside of a village, he is under five layers of government, federal, state, county, town and school. If he lives in an incorporated village, another layer is added. If he lives in a town outside of the village, he may be in a fire, water, lighting, sewer and sidewalk district. In which case there are ten layers of government."

The foregoing is an excerpt from Governor Roosevelt's address at the Virginia Institute of Public Affairs. It reveals a condition not peculiar to New York and helps explain why local taxes are high and local services so often slovenly. When a property owner pays tribute to four layers of local government, not to mention ten, is he not helping to maintain a cumbersome system at the cost of an extravagant overhead?

In New York state the number of local units reaches the amazing total of 13,544. Governor Roosevelt correctly believes that this number is entirely too large. In one suburban county, local per capita taxes have increased fifteen times in the last thirty years; in one rural county they have increased twelve times. The politicians' tendency to make two governments grow where one grew before has not been checked, although nothing is clearer than that the invention of the automobile should enable us to reverse this policy.

The situation bears most heavily upon rural districts. A recent New York survey revealed that farm taxes in some cases consume annually as much as 10 per cent of the market value of the farm. Various proposals have been enacted to remove this discrimination and to enable the poorer communities to obtain decent government. State grants in aid and the sharing with the localities of state collected taxes are devices designed for this purpose, but as yet little has been done to rationalize the labyrinth of local principalities.

North Carolina has attacked the problem probably with more vigor than any other state. There the answer has been greater state centralization. If the tendency continues much longer, the county in North Carolina will be little more than a geographical expression. County consolidation has been urged by two governors of New York, and is being seriously considered in Virginia, Kentucky, Tennessee and elsewhere.

A recent New Jersey report enunciates the principle that there should be but one local government over a particular area. The local government should either be a municipality or a county. Small municipal corporations, including the township, should be absorbed by the county and large municipalities should be removed from county jurisdiction. Certain functions now performed by the county, held to be of state importance, should be transferred to the state. While the county would thus lose on one hand, it would gain on the other by the addition or transfer of functions to it. These recommendations are being widely discussed in connection with the metropolitan problem in North Jersey and will no doubt exert a considerable influence.

All signs point to increased interest and activity in the redrawing of local government boundary lines and in a redistribution of responsibilities between the localities and the state. The idea is unwelcome to many officials, but should be a cause of rejoicing to the abused taxpayers.

Governor Roosevelt's appearance in Virginia was interpreted by newspaper writers as a virtual declaration of his intention to become a candidate for president of the United States. In a sense, therefore, he has made the reconstruction of local government a national issue. The answer will not be the same for all states. Whether the county is to become more important or less important, whether rural municipalities are to be developed as some have proposed,[1] or whether the solution is larger administrative districts than we now know, the future will tell. Clearly the opportunity for political scientists to seize active leadership for a helpful influence was never brighter.

*

Zoning Appeals Board Illegal in Illinois

In Professor Tooke's Judicial Decisions' Department appears an extended note by Dr. Ernst Freund, distinguished authority on administrative law, which analyzes the recent decision of the Illinois Supreme Court holding invalid the delegation of power to vary the provisions of a zoning ordinance which zoning laws now generally entrust to a board of adjustment or appeals. The court sets forth the familiar distinction between the power to make law and the power to exercise discretion in the execution of law, and holds that the zoning ordinance in question undertook, in violation of the constitution, to delegate law making authority.

Professor Freund rightly remarks that the decision will cause regret to friends of zoning. Should the bald doctrine spread to other states it will indeed be unfortunate. The case in question, however, involved an arbitrary use of administrative power, and the decision, unfortunate perhaps for Illinois, may prove a beneficial warning to other states.

The semi-judicial function of a zoning board of appeals has proved advantageous in zoning administration, as in many other fields of governmental regulation, but the power to grant exceptions must not be used arbitrarily.

---

[1] Theodore B. Manny in his suggestive book *Rural Municipalities* (published by the Century Company) holds that the county is a weak social unit usually too large for a primary group consciousness. Township boundaries, on the other hand, are arbitrary and inadequate. Mr. Manny, therefore, proposes a new rural municipality, following in some respects the 1929 North Carolina law providing for the incorporation of rural communities. The area of the rural municipality will not be a standard "block," but will be a highly flexible unit embracing an actual social and economic community. Such factors as frequency of village centers, average size of farms, road conditions, topography and competition of surrounding centers would determine the area. On the other hand, the New Jersey proposal assumes that the county meets the specifications of a rural municipality.

The zoning law or ordinance should set up standards or safeguards to control the exercise of administrative justice. This feature was lacking in the Illinois ordinance, although an amendment incorporating such standards has since been adopted. It is possible, thinks Professor Freund, that the benefits of administrative procedure in granting exceptions may be preserved under the new ordinance.

In the same department of this magazine Professor Tooke also emphasizes the care which must be exercised if the real purposes of zoning are not to be defeated by selfish or arbitrary practices, a danger against which he has repeatedly warned us. In a late decision, the Supreme Court of Pennsylvania reminds us that zoning ordinances must prescribe suitable standards by which the actions of appeal boards will be governed. To permit zoning officials to grant or withhold permits without the guidance of standards is to deny the equal protection of the laws. Zoning boards must act fairly in accordance with judicial standards. Professor Tooke believes that both practical experience and legal necessity demand more specific legislative definition of standards to control the discretion of zoning boards of appeal.

*

Highest State Court Sustains 5-Cent Fare for New York "The victory for a 5-cent fare is only the fulfillment of a promise made by me when I ran for the office of mayor in 1925." Thus did Mayor Walker claim credit for the unanimous decision of the New York Court of Appeals which held that the subway contracts between the city and the Interborough Rapid Transit Company are contracts and not franchises, and that the 5-cent fare restriction therein is binding upon the company, a decision which probably spells the end of a prolonged litigation in which the company is said to have spent more than $1,000,000 to demonstrate that a 7-cent fare was necessary and proper. In seeking escape from its contractual obligations, the company first took its case to the lower federal court where it won. The Supreme Court of the United States, however, reversed the district court and remanded the issue to the state court. Now the final court of the state has decreed that the transit commission does not possess the power to increase the rate of fare on I. R. T. subway and elevated lines.

The first subways in New York City were constructed by the city under contracts nos. 1 and 2 (executed in 1900 and 1902 respectively). By these contracts the lessee was entitled to charge a fare of 5 cents, but not more. In those days a nickel was worth five cents and the fare provision was considered a victory for the company. But subway facilities soon proved inadequate, and to provide new extensions contract no. 3 was executed in 1913 under a 1912 amendment to the rapid transit act. In this agreement the fare restriction provision of the earlier contracts was continued to cover both the old and new lines. Although the 1913 contract was negotiated by the public service commission, it became legally effective only when approved by the board of estimate and apportionment of the city, in accordance with the terms of the statute.

The argument of the I. R. T. was that the public service commission law of 1907, which empowered the public service commission to alter fares where existing rates did not yield a reasonable compensation, gave the commission (and its successor, the present transit commission) jurisdiction over the fare fixed by the 1913 contract (the city and the company being financial partners in the enterprise).

The Court of Appeals held, however, that contract no. 3 was not such a modification of contracts nos. 1 and 2 as to constitute a new contract; that, therefore, the rapid transit law in force at the time of the original contracts continues to govern contract no. 3, and that the 5-cent fare agreement embodied therein was not affected by the law of 1907 establishing a public service commission. It further held that that provision of the 1912 amendment of the rapid transit act, which expressly required the approval of the board of estimate and apportionment for the validity of any subway contract, demonstrates the lack of legislative intent to bring the rate of fare within the jurisdiction of an administrative body acting without the city's consent. For these reasons the transit commission is without power to modify the subway contracts. Whether the legislature can by statute increase the fare during the life of the contracts is a question which the court expressly refused to discuss.

The court also held that the elevated lines were so intimately tied in with the subways both by contract and as an operating system that to allow a change of rates on the elevated roads and to deny it to the subway would tend to work disruption of the general plan embraced in contract no. 3 and would, therefore, be improper.

Since the court apparently does not leave open a single loophole through which the 5-cent fare may be threatened, the decision will have a tremendous effect upon the future of subways in New York City and particularly upon negotiations for a unified system. Most observers agree that, by removing hope for an increased fare, negotiations for consolidation will be expedited. But whether unification is accomplished or not the city is committed to the 5-cent fare. It cannot operate the new lines now under construction at a greater fare, although no competent observer assumes that a 5-cent fare will enable them to pay their way. While the decision is a victory for the city, it will remain to plague the city if the new lines are operated as municipal subways. And even if consolidation of old and existing lines is effected under municipal operation, it is improbable that a 5-cent fare will suffice, and sooner or later New York will have to decide whether the 5-cent fare is to remain sacred forever in the face of deficits to be met by continued subsidies from the taxpayers.

Subways have brought vast increases in real estate values which the city has never tapped by special assessments. It would have been proper to do so, but at this late date no politician has the temerity to suggest benefit assessments for new construction. Deficits will continue unless the city proves a shrewder bargainer in recapture proceedings and a more efficient operator than the private companies. A unified system will provide an opportunity for economy, but there is no reason to believe that the city under present political control can work magic in subway operation. According to Samuel Untermyer, the construction cost of the new subway system soon to be ready for operation has been excessive. He places it at $14,000,000 per mile as against $5,600,000 for lines built partly in war time and $2,560,000 for those built between 1900 and 1914. These costs are now under scrutiny by the legislative investigation committee of which Mr. Seabury is counsel. Whether or not the committee uncovers corruption in recent subway building, the high costs do not inspire confidence in the city as an efficient subway operator.

MAINE'S ADMINISTRATIVE CODE

BY E. F. DOW
University of Maine

Maine's new code consolidates twenty-eight existing agencies into four integrated departments. :: :: :: :: :: :: ::

THE administrative code introduced in the Maine senate January 21[1] was rejected and a substitute offered by the joint committee. The new draft was accepted, and signed by the governor April 2.

A thorough reorganization is not realized in the code, although important changes were brought about. A Maine editor summed up the situation as follows: "At the rate of multiplication in the last twenty years, it would not be long before every politician in Maine and their families would have a job as commissioner of something or other, places being created as fast as needed to take care of all hands. The new legislation is far from comprehensive, but—so far, so good."[2]

WHAT THE ACT ACCOMPLISHED

In place of twenty-eight of the existing departments and other agencies, four departments were created. Heads of these newly created divisions are to be appointed by the governor and council "to serve for three years" and select all subordinates and employees, with the approval of the governor and council."[3]

The department of finance is entirely new and consists of three bureaus: accounts under a controller, purchases under a purchasing agent, and taxation under a tax assessor. The budget is to be controlled by a budget officer, who may be the commissioner of finance, appointed by governor and council. In 1919 an attempt to introduce modern financial technique was made by means of a budget committee of the administrative-legislative type. However, no attention has been given by the budget committee to budgetary control, nor has a comprehensive budget document been produced; most of the highway funds and funds of several other agencies being omitted. An incoming governor was handicapped since the budget message had to be presented soon after inauguration. The previous governor in fact prepared the budget for his successor. Under the code the budget officer will be directly responsible to the governor; other provisions supply necessary powers for budgetary control of expenditures through work-programs, allotments, and transfers of funds from one department to another. The governor is given power to propose financial legislation, as the budget message is to contain complete drafts of legislation necessary to carry the budget proposals into force. The governor is given to the end of the fourth week of the regular biennial session to submit his budget proposals to the legislature, giving a newly elected governor somewhat more time than under the old system. Provision is also made for the governor-elect to confer with the governor and budget officer prior to inauguration. An advisory legislative committee of three, with minority representation, is to render aid when requested.

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[1] *Cf.* Hormell, "Administrative Reorganization in Maine," NATIONAL MUNICIPAL REVIEW, March, 1931.

[2] *Bangor Daily News*, April 2, 1931.

[3] Maine, *Public Laws*, 1931. Ch. 216, Sec. 2–3.

The bureau of accounting and control is given power to set up a unified accounting system, to conduct a continuous audit, and to abolish special state funds. The state treasurer is a constitutionally established, elective officer, and could not be abolished by law. However, his duties are limited to actual custody of funds. He must furnish a daily accounting to the controller, and make payments only on the latter's order.

Maine was one of about a dozen states which did not centralize purchasing. Some progress had been made through a voluntary purchasing agents' association, which was buying about 10 per cent of the state's supplies. Under the code act purchasing is nearly centralized, exceptions including expenditures made by the legislature, governor's council, state university and normal schools.

The bureau of taxation was given administration of gasoline taxes formerly under control of the state auditor. Constitutional obstacles prevented complete unification of taxing agencies, and the elective attorney general and secretary of state retained control of inheritance taxes and motor vehicle licenses, respectively.

HEALTH AND WELFARE

A department of health and welfare combines the former departments of health and of welfare, and is organized in the bureaus of health, social welfare, and institutional service. Eighteen agencies are abolished, including boards of trustees formerly controlling the state welfare institutions. An advisory council of six is to aid the commissioner. The commissioner controls institutional heads and local health officers. It would appear that health and welfare functions are now thoroughly integrated.

A department of sea and shore fisheries under a single commissioner takes over work formerly controlled by the sea and shore fisheries commission.

The department of education is given all powers previously exercised by the commissioner of education and his staff. The commissioner has been given control of the teacher's retirement system, the state library and the museum, and made chairman of the vocational education board. Eleven professional examining boards were not brought under the department but will continue to control examinations for the bar, medicine, osteopathy, etc.

Besides the four administrative departments named the code establishes in place of the state auditor's office a so-called department of audit under the direction of the state auditor. The auditor was formerly an elected official, his office being established by statute (1907). He is to be selected by the legislature, and has power to conduct a postaudit of all accounts of the state, and to install accounting systems and conduct audits for cities and towns. Former functions now taken away include auditing and accounting of current transactions, and gasoline tax administration. The auditor was in the anomalous position of checking his own accounts and financial transactions so that no complete and impartial audit was possible.

CONCLUSION

Major accomplishments of the Code Act include: (a) creation of an entirely new department of finance; (b) centralization of accounting; (c) centralized purchasing; (d) gasoline tax taken from state auditor and placed under tax bureau; (e) board of tax equalization created; (f) executive budget established; (g) departments of health and welfare consolidated; (h) numerous boards controlling state welfare institutions abolished and control centered in the department of health and welfare; (i) commissioner of education's powers increased, and a department of education established; (j) auditor shorn of anomalous functions; (k) twenty-eight agencies abolished or transferred; (l) control of the new departments centered in the governor; (m) governor's control and responsibility over financial policy increased.

The act did not: (a) reorganize approximately two score bureaus, boards and other independent agencies, partly constitutional, partly statutory, but lacking integration; (b) form a governor's cabinet of all department heads, responsible to the governor and removable by him; (c) abolish the existing power of the governor's council of seven to veto appointments (council is selected by the legislature). The result is an indirect legislative check over the budget, or any other matter supposedly under the governor and for which he is held responsible; (d) abolish the elective, constitutionally established positions of secretary of state and treasurer; offices independent of the governor and seemingly unnecessary. A constitutional amendment is needed; (e) completely integrate finance, health and welfare, etc., since in every instance certain related functions were for political or constitutional reasons omitted from the code.

Since the above article was written, the opponents of the Code Act, including Daniel T. Field, chairman of the Republican state committee, have invoked the referendum clause of the state constitution. The governor has called a special election for November 9, hoping that the act he sponsored will be retained. — E. F. Dow.

HOW INDIANAPOLIS COMBINES POOR RELIEF WITH PUBLIC WORK

BY WILLIAM H. BOOK

Director of Civic Affairs, Indianapolis Chamber of Commerce

The emergency work committee in coöperation with public officials finds useful public work for those needing unemployment relief. ::

Is it feasible for a community to require that able-bodied men applying for poor relief perform some public work in exchange?

The question is, of course, best answered by actual experience. It seems to have been asked and answered for one city in the July number of the Review,[1] in an article which contained the following paragraph:

> But why not let the city find jobs in city employ for those who are helped? There have not been enough jobs to satisfy a tenth of the needs, and trial of this plan showed a heavy loss in labor efficiency.

Those who have been associated with the Emergency Work Committee, Inc., of Indianapolis, believe that Indianapolis returns exactly the opposite answer.

We have no further knowledge of the effort that was apparently made in the other city to require some applicants for relief to perform city work, and, of course, no criticism of that effort is intended.

---

[1] "Detroit Feeds Its Hungry," by William P. Lovett.

In Indianapolis, however, we do know that:

(1) There not only were and are enough jobs to satisfy the needs, but there seems to be an unlimited amount of such work. The specifications set up for such work require that it shall be useful and beneficial to the community, but that it shall not in any way conflict with regular or imminent plans involving employment of men in the customary way.

(2) There is no loss in labor efficiency. Our conclusion, based on experience of our own in the field, and the testimony of department heads making use of this labor is that it is as efficient as ordinary public department labor.

Beginning on an experimental basis on December 1, 1930, the plan has evolved, step by step. At first employment was given only to a part of the applicants for public poor relief, but eventually, having proved to our own satisfaction that the plan was workable, it was broadened to include all able-bodied applicants for public relief. In the experimental stage, the number of men working for relief was about 500 per week. Under the enlarged arrangement, the number reached as high as 1,766 in a week, but it has since fluctuated with the fluctuating demand for relief.

The program will be carried on throughout the remainder of the summer, now more than half gone, and machinery will be fully ready to operate as necessary throughout the coming winter. In seven and one-half months of operation of the plan, these workmen have performed over 650,000 hours of useful work for the taxpayers of the community, who will pay the cost. For the first time in the history of Indianapolis, a tangible, permanent return is being made to the taxpayer for his contribution for poor relief. For the first time, Indianapolis has something to show for such expenditures beyond the knowledge that hunger has been assuaged.

Another beneficial result of some permanence has accrued. A large number of men who, on account of unemployment, have been compelled to seek relief have been kept in the habit of industry. Their morale is higher today because of the knowledge that they have earned all that has come to them. During extreme weather, they received preferred treatment that contributed to their ability to make the best of a bad situation.

NOT A CURE FOR UNEMPLOYMENT

In the last analysis we regard our effort as being an improvement in the method of giving poor relief, instead of a solution of unemployment. It has, no doubt, often been said by citizens that those who must have relief ought to work for it; that both they and the community will receive benefit from such an arrangement. That such an arrangement has not been applied to the administration of poor relief quite generally heretofore is probably due, first, to the fact that the poor relief problem has not been of great importance to those who struggled with tax rates, and, second, to the fact that in large communities it has appeared too stupendous a task to put it in operation.

At first it seemed so to us in Indianapolis, when the idea was first voiced. But upon more thought it appeared to some that the difficulties would yield to careful planning and persistent effort. The enormous increase in expenditure for poor relief impending was the spur that urged us on.

PRELIMINARIES CAREFULLY PREPARED

A good deal of time was given to laying preliminary plans. As early as August, 1930, dummy plans were written out and submitted for study and suggestion. By the time cold weather and a greater demand for relief arrived, the project was ready to put into operation.

Naturally, one of the first questions asked was, "Where will you get enough jobs?" It being agreed that the jobs must be on such public projects as would not displace a regular or prospective employee it seemed to some that the supply of possible jobs would be very limited. But to those of us who had been in continuous touch with public budgets and expenditures, and who had witnessed, or been party to, the elimination of a great many proposed public improvement projects, this was the simplest part of the problem.

The supply of jobs which fulfilled the above specifications appeared to be practically unlimited. After 650,000 hours of labor performed, we feel sure that the limit of such work has not yet been perceived. We, therefore, face next winter, with the larger number of men it will bring to us for assignment to jobs, confident that there will be plenty of work to go round. At one time, when it seemed that the number of workmen in an approaching week would be nearly 3,000, we had jobs for 3,000 ready. Only about half that number actually received cards for work. This is said only to indicate that the jobs can readily be expanded to whatever program is necessary, barring, of course, a complete economic breakdown.

It is our conclusion, after seven and one-half months' close contact with the effort, that to have success there must be, fundamentally, hard-driving leadership such as can best be given by an unofficial committee, and intelligent, diligent coöperation of the public officials, who, naturally, are the key to the success of the plan. We have had both. The conscientious, clear-thinking application of the plan by the heads of a few large municipal or county departments is, we quite clearly recognize, the principal reason for whatever success we have had. Without it, the plan would have been a complete failure.

Fortunately, we had men at the head of four large departments—public parks, public works, sanitation and county roads—who caught the vision of what was intended. They have gotten from the men a maximum amount of labor for their departments, with a minimum of discontent on the part of the men.

OPERATION OF THE PLAN

At the beginning, a small sum of money was raised to try out a month's experiment. It was decided, and there has been no change from this, to make the return to the relief applicant small, so that he would never become content to remain on "made work." Men were selected by the relief agencies and sent to us for assignment. They were paid thirty cents an hour for three days work of eight hours each. That went on until the money was exhausted, and first results indicated sufficient success to continue the experiment.

Early in January, a large sum of money was made available by the Community Fund. Then the public relief agencies—in Indiana, the township trustees—were asked to join in the plan. They agreed to do so. Their relief appropriations and the money provided by the Community Fund were pooled. Men—a larger number, now—were selected by the private agencies, and sent to the committee for job assignments. They worked, as during the first stage, three days of eight hours each. They received therefor an order of relief from the township trustee, according to their need, and the balance of what they had earned at

30 cents an hour, in cash from our fund.

This enabled us to operate on this basis until warm weather set in. At the first of May it was determined, at the request of the trustees, to put the plan into effect for all able-bodied applicants for public relief. Our cash fund had been exhausted, and so there was then no cash available for wages. Men, then, were requested to perform two days' work for whatever amount of relief they required from the public agency. This is the plan that has been in effect throughout the late spring and summer.

It now seems quite likely that next winter we shall continue the plan of working two days for trustee relief, but that we shall again recognize the wisdom of providing some cash supplement.

It is our feeling that the man who is getting relief for the first time in his life needs in cold weather a little more than would ordinarily come to him from relief agencies, for the little necessities he is accustomed to, and which the hardened relief-taker either does without or knows how to get elsewhere. Therefore, we shall seek another fund of money, this time much larger than last winter, to provide thus for every applicant who meets that specification.

DIFFICULTIES SURMOUNTED

There have been other complications, of course. We had to face the liability of any employer for injury to an employee, but thus far have met it without serious trouble. The technical job of handling the assignment of men to work, so that none had far to go to his job, was not easy to work out. The Indianapolis Employment Bureau lent the services of George E. Gill, its manager, to be the manager of our bureau. He efficiently organized the task so that projects were near as possible to the communities where the needy workmen lived, or so that transportation was given where needed, or so that projects were available for rainy days. When cash wages were paid, there was an efficient handling of the payroll, with the least possible inconvenience to the men. A thousand details were provided for quietly and efficiently.

WHAT THE WORKERS HAVE DONE

Of the 650,000 hours of labor, the park department has used over 250,000 hours. Its work has entirely met the specifications of the committee—cleaning, preparing for later improvements, or actually improving park lands that had heretofore accumulated faster than the park district could improve them, performing a great many tasks of clean-up and improvement that are just not carried out in ordinary years because of lack of sufficient appropriations to do them. Roadways have been cleaned, repaired or built, park areas cleared of underbrush or dead wood, sodded and planted, unsightly spots about other public areas cleaned and landscaped. None of this would have been done this year, or next, and much of it probably never at all.

The sanitary district has cleared land on its property, but its greatest use of this labor has been in cleaning, straightening and beautifying the beds and banks of small streams that in these days of modern drainage had been transformed from beautiful little brooks to public catch-alls for trash. For a month during the spring, it made use of this labor to clean alleys and vacant lots, a function not heretofore performed by anyone. Unbelievable amounts of rubbish were collected and moved to the city dumps, even from our "best" residential sections. Undoubtedly this project offers continuous opportunity for "made work" jobs.

The county roads department has carried out a project long dreamed and despaired of—the cleaning of roadsides, digging of side-ditching and beautification of the rights-of-way. Many other departments have used this labor for projects for which they had no financial provision. The street commissioner undertook to sweep the downtown sidewalks, the municipal airport to get work done not otherwise provided for, the city hospital to beautify its grounds, the city street repair department to cut back curbs at street intersections, all public building departments to carry out cleaning plans not otherwise provided for. All this has been done, and is being done, at no additional cost to the taxpayer than his expenditure for poor relief (which would have been spent anyway), other than the very small costs of supervision or materials.

COMMITTEE PLEASED WITH RESULTS

Our committee, after appraising the results of the first six months' effort, reached this conclusion: "That the 'made work' plan of creating useful work for applicants for relief has operated successfully, and will continue to do so; that it is quite possible to create a reservoir of such work—projects that would not be carried out in the regular course of events—which will indefinitely supply emergency employment to all able-bodied applicants for relief on the basis of employment in return for relief."

The private agencies, having coöperated in obtaining the results, are beginning to turn to the committee and ask it to provide also such employment for those who will receive relief from them.

I speak of our committee. It is the emergency work committee of the Indianapolis Commission for Stabilization of Employment. This body of citizens was created in February, 1930, to try to do just what its name says. It has undertaken various things along that line, more or less successfully. It conceived as one of its functions this application of "work for relief," and created the emergency work committee to carry out the job. G. M. Williams, president of the Marmon Motor Company, has headed the general commission, and A. Kiefer Mayer, another successful young business man, has been at the helm for the emergency work committee.

BRAIN MUDDLE IN CHICAGO

BY HERBERT D. SIMPSON

Of the Institute for Economic Research and Professor of Economics, Northwestern University

Chicago's financial difficulties no longer spring from mere squabbles of politicians but involve conflicts of economic interests of various tax-paying and money-lending groups. :: :: :: :: ::

TAX muddles, like tadpoles, evolve by successive stages from lower to higher forms. Chicago's "tax muddle" of the past few years developed last summer into a "financial muddle," and now has evolved into the higher stage of "brain muddle"—by which is meant an endless multiplicity of proposals and remedies for the situation, hopeless confusion of thought on the subject, and the apparent inability of any two groups to agree on anything.

To outside observers this may seem to be ground for disparagement, and within Chicago it has produced a great deal of pessimism. Yet the fact is that this is the usual—almost the normal stage that precedes the stage of constructive action. There was no brain muddlement on taxation in Chicago five years ago; there weren't enough ideas on the subject at that time to muddle anybody's brain. The present condition is a symptom of the amount of thinking that Chicago people have been doing during the past three or four years. We have had many similar muddles in our past history, sometimes on a national scale.

CITY VERSUS DOWN STATE

In the first place, we have an unfortunate cleavage between metropolitan Cook County, which contains half the population of the state, and the other half of the state, a cleavage that rests on geographical, historical, and economic factors. At the present time, for example, the Illinois Agricultural Association and the rural sections generally favor an income tax, arguing with good reason that farm property is disproportionately taxed. But business groups in Cook County are opposed to any such income tax, arguing correctly that it will draw revenues from Cook County for the benefit of the rest of the state. A number of groups in Cook County will support an income tax, provided that the bulk of the revenue is returned to the localities from which it is derived, and provided that payment of property taxes shall be allowed to "off-set" corresponding amounts of income taxes due. Cook County groups prevailed in incorporating the first of these provisions in the proposed constitutional amendment of last summer, authorizing an income tax; but for that very reason the Illinois Agricultural Association turned round and helped defeat the amendment.

Within Cook County there is an almost equally sharp alignment between the city of Chicago, particularly the "downtown" interests, and the outlying sections of the city and county. The downtown groups largely supported the recent reassessment ordered by the state tax commission and were materially benefited by the readjustments which it brought about. The outlying cities and areas had been favored for years, through their local township assessors, with lower assessments than prevailed in Chicago, and they suffered under the reassessment. The consequence, in the present juncture, is that while many of the downtown groups are supporting constructive proposals for the creation of a centralized assessment administration in the county, the outlying cities and towns are very generally fighting to retain their local township assessors.

In the construction of the proposed subway system, likewise, the outlying sections naturally demand that a substantial portion of the cost shall be levied in the form of a special assessment on the downtown district, which will be particularly benefited by the subway. The growth of some of the outlying business centres will actually be retarded by the construction of the downtown subway. On the other hand, the downtown groups are sparing no effort to have the cost of the subway levied as largely as possible upon the general taxpayers.

Thus we have a cleavage between Cook County and the Down State, on the one hand; and on the other, an equally sharp cleavage within Cook County, between downtown Chicago and the rest of the county.

THE DEBTOR-CREDITOR CONFLICT

Coming into Chicago, the historical student will wonder whether he has dropped back into the middle of the past century; for the first thing he will encounter is that age-old conflict between the debtor and the creditor classes. Right here in Chicago we are having the days of the Granger Movement, the Populists, and the "Mortgage Rebellions" all over again. The large banking groups who have carried the city through the recent period of threatened insolvency are primarily interested in securing repayment of the tax anticipation warrants of the past two years, which they still hold. They argue, with good ground, that the maintenance of the city's credit is the indispensable prerequisite to the restoration of business prosperity. They are naturally opposed, therefore, to any form of tax relief that will involve postponement of tax payments now due or will threaten any dislocation of the regular course of future tax payments.

On the other side are the debtor groups, consisting chiefly of real estate owners, who pay 84 per cent of all the tax revenues raised by the city. They are debtors in a double sense.

In the first place, they are saddled this year with two years' tax bills, amounting to a total of approximately $548,000,000. It is true, this total includes one year's taxes deferred from a previous year on account of the obstructionist tactics employed by the board of assessors and board of review in connection with the reassessment; but the historical explanation of the fact does not lighten the actual burden falling, as it does, in a year of drastic deflation and acute distress. Since the banks hold the bulk of the city's liabilities, and since real estate owners pay the bulk of the revenue that will liquidate these liabilities, the situation has the effect of putting the real estate owners of the community in the position of debtors to the banks.

In the second place, real estate in Chicago, as elsewhere, is heavily mortgaged. A large proportion of these mortgages are carried by the banks or find their way eventually into the banks. So that real estate owners find their properties subject to two heavy liens, mortgages placed by themselves in times of greater prosperity and accumulated tax burdens imposed by the city in a period of unmitigated waste and extravagance—and both liens are held directly or indirectly by the banks.

In this situation, real estate groups are more interested in saving themselves from bankruptcy than they are in insuring prompt payment of the tax anticipation warrants held by the bankers. They want immediate relief of some kind from somewhere. For the moment, they are not interested in constructive reform that may require two or three years for its completion. "Taxes three years from now," said one of their representatives, "may be of no interest to us; for as things are going now, we'll all be dead or bankrupt by that time."

REAL ESTATE WANTS TAX RELIEF FIRST

Concretely, the result of all this is that the real estate groups are directing their efforts almost entirely toward reduction or postponement of tax obligations now due, rather than toward any permanent improvement of the tax system itself. These efforts have taken the form either of suits for annulment of the current two years' taxes by the courts, on grounds of discriminatory assessment, deprival of constitutional rights through the arbitrary conduct of the board of review, and failure to assess personal property; or of demands for postponement of payment through funding these taxes over a period of ten to twenty years. The cleavage which any such proposals must create between the "creditor classes," on the one hand, and the "debtor classes" on the other, is sufficiently apparent.

It is not so apparent why the debtor groups themselves should be split into conflicting camps, but such, unfortunately, is the case. In the first place, the Chicago Real Estate Board, after prolonged inability to take any definite position upon the tax problem during the past five years, has at last announced its intention of assuming a positive leadership in the cause of constructive reform. It lacks only a program or some indication of the general direction in which it might contemplate leading.

In the second place, there has been organized—under the auspices of the Real Estate Board—a Property Owners' Division, launched for the specific purpose of securing tax relief for real estate. This organization has declined thus far to coöperate with other groups, on the ground that it has a definite economic interest to promote and that it can hold the support of its members only by working specifically for that interest. Its chief effort thus far has consisted in a campaign to secure 10,000 members; it has advocated the funding of accumulated taxes; whether its program for tax relief will extend beyond this, is not apparent.

In the third place, an Association of Real Estate Taxpayers has been organized, representing a considerable group of real estate owners who are demanding more radical and immediate action than they have been able to secure through the Real Estate Board or the Property Owners' Division. In parliamentary terms, the Real Estate Board represents the "Right," the Property Owners' Division the "Centre," and the Association of Real Estate Taxpayers the "Left" of real estate sentiment in Chicago.

The Real Estate Taxpayers' Association first sought an order from the state tax commission for a reassessment of personal property, which under present methods of administration largely escapes taxation and thereby adds to the burdens of real estate. The writer served on a committee appointed by the state tax commission to consider this proposal. The committee advised that such an order, applicable to the 1930 assessment, would be impracticable on account of the shortness of time and the inadequacy of the resources at the disposal of the tax commission. The committee recommended, however, that the tax commission give specific assurance that all the powers of the commission would be utilized to bring about a more adequate assessment of personal property in the quadrennial reassessment of 1931. The new state tax commission, appointed by Governor Emmerson since that time, has thus far given no indication of any effort to remedy this situation.

A TAX STRIKE URGED BY SOME

Later the Taxpayers' Association sought and secured a *mandamus* from the Superior Court of Cook County, directing the board of review to reopen hearings on the last assessment. The board had arbitrarily refused to hear some thousands of complaints that had been filed with it. The Association is now preparing to carry to the Illinois Supreme Court a group of cases demanding the annulment of the recent assessment, on the ground that the inequality of assessment as between real estate and personal property is in violation of the uniformity clause of the state constitution. One of their published exhibits is a list of addresses for the delivery of personal property schedules, on which are penciled instructions, written, it is alleged, by the precinct captain of that precinct. One of these directs, "Do not leave schedules at these addresses;" half-way down the sheet, at the head of another list of names and addresses, is scrawled the injunction, "Hit these extra hard."

This group has joined with other real estate groups in the demand for funding accumulated taxes; and in addition to all these lines of attack, the Association has called a "tax strike," urging its members and other real estate owners simply to refuse to pay this year's accumulated taxes and to allow these taxes to go delinquent, pending the outcome of the various matters now in conflict.

Conservative groups have condemned the tax strike in unsparing terms; under any ordinary conditions one could scarcely do otherwise. Even in the present extraordinary situation, one may not be able to condone it. But we will make headway more rapidly when those business and civic leaders who denounce the strike so unsparingly come to realize that the present tax strike is only part of a general situation that has prevailed for years in Chicago. The board of assessors, board of review, and tax officials generally have been on strike for years, so far as performance of their legal duties is concerned; the city government has been on strike; the board of education has been on strike; law enforcement machinery has been on strike; the legislature has been on strike; the governor has been on strike, so far as the tax problem is concerned. About the only group left to join the general strike was the taxpayers themselves; and it is difficult to understand why a business community which has for years condoned an open and avowed strike on the part of officials at the head of the tax system, should be shocked when a group of taxpayers at last adopts a similar policy. It reminds one of the occasion when a celebrated German premier, master of diplomatic intrigue in his generation, wrote to an Austrian foreign minister of similar repute, that he was "shocked" to find that the Russian foreign minister had "deceived" them both.

OTHER GROUPS INVOLVED

Such is the situation among the real estate groups. One other group might be included in the real estate field, namely, the Chicago Association of Building Owners and Managers. But this association represents the large downtown properties and is not usually associated with the other real estate groups. The Building Owners' Association supported the reassessment, thereby helping to precipitate the present situation, but has not taken a definite position on the problems that have risen since.

An influential group of teachers' organizations in Chicago, which supported the reassessment, is now supporting measures for a reorganization of the tax administration, and is reaching out to the State Teachers' Association and the Illinois Agricultural Association in support of a state income tax.

And finally there are the manufacturers' associations, occupying somewhat the position of the Tories in the period of the Continental Congresses. They have been in a position of advantage under the old régime and now constitute the backbone of opposition to any new proposals. They are opposed to repealing the old uniformity clause of the constitution, are opposed to an income tax, opposed to the taxation of personal property, and opposed to increased centralization of tax administration. They are in favor of "lower taxes," wherein they find themselves in agreement with everybody.

We have not discussed the political cabals, particularly the board of review, board of assessors, and the local assessors but including pretty much the whole hierarchy of political organizations, shutting themselves up in their various political bulwarks and fighting off attacks upon them from every direction. They have not been treated in our analysis above, because they are not now a formidable factor. The conflict has passed beyond that stage; though there are many well-intentioned people in Chicago who still think that the issue is between the citizens or "the public," on one side, and the politicians, on the other. One who thinks in such terms now does not know the situation in Chicago. The problem now is solely one of agreement among citizen groups, particularly among a small number of influential business groups and business leaders.

But this problem is the most difficult of all. In the absence of political or governmental leadership, various citizens "commissions," "committees," and "conferences" are working to bring about such agreement. It takes patience, persistence, and a vast amount of practical understanding to replace muddlement with horse sense. But the brain resources now engaged upon the problem in Chicago are such that the muddle must eventually give way.

TAX INVESTIGATIONS IN TWENTY-SIX STATES

BY GEORGE A. GRAHAM
Princeton University

Dissatisfaction with the general property tax, friendly advances to the state income tax and attention to local government economies feature the official reports. :: :: :: :: :: :: :: ::

Official commissions or legislative committees in more than half the states have been or are now investigating the systems of taxation. Seventeen commissions have reported in the last fifteen months. The forces behind the investigations are chiefly dissatisfaction with the general property tax and objection of real estate owners to their present tax burdens. No committee has reported without recording some defect in the administration of the tax on property; nor has any committee attempted to defend a tax on general property. If there is any significance in unanimity of official opinion, the general property tax is doomed.

THE INCOME TAX

The most striking feature of the investigations, however, is not the destined demise of the tax on general property; it is rather the general endorsement of a tax on income. Especially significant is the recommendation that income tax laws be passed in Ohio, Indiana, Michigan, and Pennsylvania, as well as in the less densely populated or less industrial states of Iowa, South Dakota, Colorado, Utah, Washington, Oregon, California, New Mexico, and Texas. With these states should be considered Illinois and Florida. The Illinois Joint Legislative Committee again recommended that the constitution be amended to permit taxation of income and classification of property for taxation; and in recalcitrant Florida the Citizens' Finance and Taxation Committee recommended that all constitutional restrictions against the income tax be removed. In only two states, Maryland and Arkansas, were the legislatures advised against the income tax. The Arkansas Committee on Business Laws and Taxation was divided on the subject and reported four to three against an income tax; but the minority's advice was followed by the legislature.

Support for the income tax is not altogether surprising; the nature of the dissatisfaction with the existing tax systems is significant. Some dissatisfaction with the general property tax could be allayed by confining the tax to tangible property. But it would not be possible at the same time to reduce the tax burden upon real estate.

Features of the income tax laws recommended differ. In Pennsylvania taxes upon net income either from all business units or from all corporations have been recommended to replace existing taxes upon corporate franchises. In Ohio a personal income tax has been suggested as an alternative to a low rate tax on intangibles; the Governor's Taxation Committee is not yet ready to commit itself to one rather than the other. Taxes on both personal and corporate income have been recommended in Indiana, Michigan, Tennessee, South Dakota, Washington, and California; and in Colorado and Utah taxes upon both personal income and income from all types of business units have been recommended. In West Virginia the proposal is to levy an occupation tax based upon net income to replace the sales tax, and to substitute eventually a modern general income tax. Investigators for the Missouri State Survey Commission favor the substitution of graduated rates for the existing flat one per cent on personal income, and substitution of state for local administration of the tax. Although the bills suggested vary from state to state they agree upon graduation of rates on personal income and administration by state rather than local officers. It is everywhere recognized that careful administration of an income tax is necessary for its success, and that a central department can better be relied upon than local officers.

EMPHASIS UPON CENTRALIZED ADMINISTRATION

The emphasis upon central administration is not confined to the income tax. The reports also recognize a need for thorough supervision of local assessors by the state in administering property taxes. Seventeen states have particularly emphasized this point. In six states it is proposed that state tax commissions be created with power to administer state taxes and to supervise local assessors, and in seven states it is proposed that existing state tax departments be strengthened.

An Ohio sub-committee of the Governor's Taxation Committee has recommended that county auditors and treasurers be required to pass examinations given by the state tax commission before being eligible to election; but none has recently gone so far as the New Mexico Special Revenue Committee of 1920 which advised direct state appointment and control of property tax assessors.

In addition to central supervision, the necessity for generally improved practices in assessing property is stressed. Attention is given to standardized methods of assessment, removal of political pressure, and growth of sound traditions. The West Virginia report is characteristic in saying that what is needed is "an unusual revival of public spirit, something almost akin to a religious revival" to break the traditions of poor tax administration. It also expresses the fact, which is implied and avoided in many of the reports, that equal assessment of real estate does in effect provide a new source of revenue. To aid assessors a stamp tax on deeds has been suggested in Ohio and the compulsory filing of a confidential affidavit of true consideration in West Virginia.

It is clear that although the findings of the investigators forecast the final departure of the general property tax, their recommendations are equally positive evidence that taxes on property, especially real property, are a durable part of local tax systems.

UNCERTAINTY AS TO TAXES ON INTANGIBLES

Low rate taxes on intangible personal property are apparently in an uncertain position. They have been suggested as alternative to a tax on personal income in Ohio, Illinois, Florida, and West Virginia. The Iowa Joint Legislative Committee on Taxation proposed a mortgage registration tax in addition to an income tax. A constitutional amendment was recommended by the 1928 Recess Tax Commission in Massachusetts to authorize taxation of intangibles at a low rate, or their exemption from the property tax. On the other hand, seven states have been advised to abandon the property tax on intangibles, and three of them, Vermont, Pennsylvania, and California, have been advised to abandon low rate taxes on intangibles. Abandonment is to be contingent upon the adoption of a personal income tax.

Intangibles are not the only limb of the property tax which is in danger. While the surgeon's knife is being brandished, at least a few flourishes are being made to lop off the taxes on tangible personal property as such. Larger exemptions, and exemptions of more types of personal property have been prescribed in seven states.

SEPARATION OF SOURCES

Complete separation of state and local sources of revenue is another practice with uncertain support. Abandonment of the tax on property for state purposes has been recommended in five states, Vermont, Missouri, Indiana, South Dakota, and Oregon; reduction of the state tax on property has been recommended in four others, Iowa, Washington, Utah, and Florida, but with the express injunction that some state tax on property be retained. In addition, the California Tax Commission expressed dissatisfaction with the sort of separation of sources practiced there. The reasons advanced for retaining a state levy on property are the impetus it gives to state supervision of local assessment and the stimulus to wide interest in state expenditures. The reports are unanimous, however, in recommending that direct levies by state government on property should be reduced.

LOCAL GOVERNMENT THE CRUX

Perhaps more impressive than the tax reforms suggested is the attention given to public administration, particularly local government. It did not take the commissions investigating property taxes long to discover officially that most of the taxes were being levied and spent by local governments. It seems to be tacitly recognized, also, that the functions of government cannot be reduced and that emphasis must be placed upon economic methods of administration. It is evident that the process of "cultural diffusion" goes on in American politics, as well as in other phases of life; many of the measures recommended are the tested practice in at least a few states, or are widely advocated by researchers and reformers. Among the recommendations are budgeting capital improvements, pay-as-you-go, central purchasing, improved personnel administration, use of serial bonds, uniform accounting, state auditing of local accounts, abolishing the office of constable, consolidation of city and county offices, and county consolidation. An attempt has also been made to devise more effective debt limits, tax limits, and special assessment limits.

Among the scattered recommendations there is noticeable concentration upon state administrative supervision of local officers. Supervision of assessment has already been mentioned; in seven states it is proposed to go further and to give state officers power to supervise budgets, tax rates, or borrowing. In Tennessee the committee would give the state tax commission a veto power over appropriations, tax increases, and borrowing. In North Carolina the Tax Commission's advice is to provide by general law that refunding loans of local governments may be made with the approval of the State Sinking Fund Commission, and with considerable discretionary power vested in the commission. In Washington the Tax Investigation Commission is not ready to try state supervision, but has proposed a county board to correlate all local government budgets and to put its opinion on all bond issue ballots. A few state governments get attention as such, and the "dogmas of administrative reform" are repeated with conviction for their benefit.

The inferences to be drawn from the tax investigation reports come as forcefully from the omissions as from the positive recommendations. Problems of local government are everywhere recognized as permanent and perplexing; the expense of local government is probably the basic reason for most of the investigations; the general property tax is universally condemned as a carry-over from conditions long past; and yet, with one or two exceptions, no report questions the soundness of the fundamental features of the prevailing system of local government. It is implied that local government is a matter of operating school district organizations, township organizations, county organizations, and city organizations, with no suggestion that all are part of a process of meeting definite wants of people. If these reports are evidence, the purpose of government to most men in public life is the operation and perpetuation of existing governmental devices. Local government is the sum total of existing local governmental devices rather than the sum total of local public problems.

NEW JERSEY SUGGESTS LOCAL GOVERNMENT REORGANIZATION

In this respect the reports of the New Jersey Commission to Investigate County and Municipal Taxation and Expenditures are an exception. The commission recommends comprehensive changes "to simplify the organization and structure of local government." The policy underlying the recommendations is to utilize larger operating units. The program is to shift many of the county's existing duties to the state, to shift others to a regional government with power over a wide area, and to transfer all remaining tasks of local government to the county or the city. All details are not yet clear; but the comprehensiveness of the plan is striking.

On the face of it the plan is radical; but its difference from the conventional plan of tax reform suggested generally is more apparent than real. The general plan is (1) to raise a greater portion of public funds through taxes administered by the state, (2) to distribute the funds to various subordinate local governments and thus to reduce their property tax levies, and (3) to provide state supervision and advice for these local governments in order to get economic expenditure of the funds. The New Jersey plan aims at the same reduction of property taxes by shifting functions of local government to the state and by performing the remaining tasks of local government in what are believed to be more economic units. It is expected that the state government will rely on other sources of revenue than direct levies on property. On this point there is substantial agreement of opinion in all states.

The report of the North Carolina Tax Commission also advocates transfer of functions to the state government. After an extensive survey of highway administration and experience with optional state maintenance in a few counties, the committee has recommended administration by the state of all public roads. This would take from the county and the township one of their most important functions. The proposal is now law.

The reports differ from state to

state in comprehensiveness of the recommendations and in data presented as a basis for conclusions. Careful studies of proposed and existing taxes have been made in some states, notably Ohio, West Virginia, Tennessee, North Carolina, Missouri, and Utah. In others the findings are not so clearly presented, or are reported as conclusions arrived at after a series of public hearings. Detailed recommendations naturally vary widely, and not without some conflict. While repeal of the sales tax has been recommended in West Virginia, the sales tax has been suggested in Maryland and Indiana, and as a temporary measure in Florida. Massachusetts is ready to drop the tax on "corporate excess," apparently, while it is suggested in Iowa that such a tax be levied. Most of the investigators disregard poll taxes as a source of revenue; in Vermont, Tennessee, and Indiana, however, they are hopeful enough to recommend the poll tax. In Missouri, Iowa, and South Dakota the commissions believe that small incomes can be taxed more effectively through an excise on tobacco, soft drinks, and admissions.

Despite their conflicts and variations, the tax investigation reports indicate with some certainty that tax systems at present are not satisfactory, that the general property tax is doomed, that a greater effort will be made to improve tax administration, that income taxes are destined to be a general source of revenue, that the movement to provide central supervision for local officers is under way, and that there is not yet much disposition to melt up and recast the machinery of local government.

STATE CENTRALIZATION IN NORTH CAROLINA

BY PAUL W. WAGER
University of North Carolina

To secure greater efficiency in administration, the state has assumed historic county functions, involving shift in tax base away from general property. :: :: :: :: :: :: :: ::

MODERN conditions demand a reallocation of governmental functions in order to provide larger administrative units and a broader tax base. The need for the adjustment arises, of course, from the change in our mode of living. The radius of one's daily activity has been so expanded that the governmental services that could be provided by small units are no longer adequate. Moreover, the support of modern services wholly by local taxation cannot be justified on the basis either of benefit or taxpaying ability. The transfer of functions from the local unit to the state is well illustrated in the case of North Carolina.

ALL ROADS TAKEN OVER BY THE STATE

For the last ten years the state has been taking over, reconstructing, and assuming the maintenance of the primary roads. By the end of 1930 the state highway system included 8,920 miles, 6,000 of which were hard-surfaced. The cost of building these roads has been about $175,000,000, and the state highway debt on June 30, 1930 was $108,000,000. The revenues from the gasoline tax and automobile licenses have been reserved exclusively for the state highway fund and the proceeds have been sufficient to maintain the state roads in first class condition, meet interest payments, make ample provision for the sinking funds, and leave several million dollars a year for further construction. The only exception to the above statement is that in 1929 the gasoline tax was increased from 4 to 5 cents a gallon, and for two years the sum of $3,000,000 a year (slightly more than the proceeds from the extra cent tax on gasoline) was apportioned back to the counties. The counties were permitted to use this grant either for road maintenance or road debt service. Most of them elected to use it for the latter purpose.

In 1930 a rather exhaustive survey of county roads, road organizations, and road finances was made under the joint auspices of the state tax commission, the state highway commission, and the United States bureau of public roads. This survey revealed that there were 45,000 miles of roads outside the state highway system on which the counties and districts were spending from 6 to 8 million dollars a year with varied results. Some counties were maintaining their roads in good shape, others wholly inadequately. Some were utilizing convict labor profitably, others at an uncertain cost. Some had suitable road machinery, others lacked adequate equipment. Some had been extravagant in the purchase of machinery. Twenty-six counties had township or district road organizations either in place of or in addition to a county organization. All of the counties had large and generally mounting road debts. The aggregate road debt of the counties and special districts is at least $100,000,000 and in many cases there is evidence that the proceeds of bond issues have not been expended wisely.

At any rate, the survey convinced Governor Gardner that more relief could be given the taxpayers by having the state take over the roads than by increasing state grants to be expended locally. Consequently, the general assembly of 1931 increased the gasoline tax to six cents a gallon and provided that on July 1 of this year the state take over and maintain all the roads of the state. An appropriation of $6,000,000 was made to maintain the 45,000 miles of local roads. All local road districts and road boards are dissolved. The state is taking over, with credit, such road machinery as it can use and permitting the counties to dispose of the rest.

The state highway commission is reorganized, all district lines and district representatives being eliminated. The new board has divided the state for administrative purposes into five divisions and twenty-five districts. Within each district there will be as many maintenance outfits as can be kept continuously employed. The construction of new roads and the building and repair of bridges will be delegated to special crews with the proper machinery. It is believed that, on the whole, the local roads can be kept in better condition than they have been kept heretofore and at lower cost. Whatever the cost it will be derived entirely from motorists and there will not be one cent levied on property for road purposes, except for road debts.

ALL MALE CONVICTS TO BE EMPLOYED ON ROADS

Not only are property taxpayers being relieved of the cost of building and maintaining roads, but also of the cost of supporting their convicts. The road law provides that the state take over and employ on the highways all able-bodied male convicts serving sentence of 60 days or more. At present there are about 3,700 such prisoners so employed. They will be housed in district camps and used wherever they are needed. The honor system will be invoked as far as proves practicable. The clothing for the prisoners will be made at the state prison (an appropriation was made for a new one) and much of the food will be grown on the state farms or at the district camps. The state is taking over as many of the county camps as can be made suitable for its purposes.

It is obvious that it will not be necessary for each of the state's one hundred counties to maintain a jail to house a few women, old men, and misdemeanants. It will be feasible for several counties to unite in the support of one jail. Twenty-five or thirty new jails have been built in the last ten years and it is to be hoped that no others need be built. Indeed, it is to be hoped that the end of the county jail is in sight. No one will mourn its passing.

SCHOOLS

The constitution of North Carolina provides that the "General Assembly . . . shall provide by taxation and otherwise for a general and uniform system of public schools . . . which shall be maintained at least six months in every year." There have always been those who contended that this meant state support of the six-month term, but never until this year has this view prevailed in the legislature. One reason why the state has been reluctant to assume this obligation is the fact that it relinquished the property tax in 1920, and its revenues from other taxes have not been sufficient to assume the cost involved. It has, however, gradually increased its contribution in the form of an equalization fund. In 1927 the appropriation for this purpose was $3,250,000 and 90 of the 100 counties participated. In 1929 the appropriation was increased to $5,250,000 and 94 counties participated. Moreover, an additional appropriation of $1,250,000 was apportioned to districts which were supporting extended terms (usually two additional months).

There was a determined effort made in the recent legislature to secure full state support of the constitutional term (six months) and without resorting to the use of a property tax. It was proposed by the advocates of this plan to raise the major part of the additional revenue needed from a sales tax of one form or another. The opponents of the sales tax were successful in resisting that form of tax, and the anti-ad valorem group accepted a compromise measure by which the state assumes the current expenses of the six-month term but is permitted to levy a property tax of 15 cents on $100 of assessed value. Since the aggregate value of all property in 1930 was slightly under three billion dollars, the property tax yield will be less than $4,500,000. The appropriation for the support of the six-month term is $16,500,000 and the appropriation toward the support of the extended term $1,500,000. Thus school support from other than property taxes is increased from $6,500,000 to $13,500,000. The $7,000,000 of additional revenue is to be raised from increased income, franchise, and business taxes.

This legislation is significant both because it represents a decided shift from property to other forms of taxation, and because it is a pronounced step toward centralization. For the operation of the minimum school term the state becomes the unit of administration. Every teacher, janitor, and truck driver becomes an employee of the state. All supplies are to be purchased by the state central purchasing agency, also a creation of the 1931 legislature. All remaining one- and two-teacher schools are to be consolidated into larger ones as soon as possible, the state highway department being instructed to give special attention to the improvement of highways over which school buses are routed.

It should be pointed out that school districts and school boards are not abolished by this act. The counties or districts are still responsible for the cost of constructing and repairing school buildings, the liquidation of school debt, and most of the support of terms in excess of six months. These items will require levies aggregating not less than $14,000,000 a year, and more if the state insists on the prompt completion of the consolidation programs. For the next year or two, however, the state will be bearing 56 per cent of the cost of the schools and 42 per cent from other than property taxes.

REDUCED PROPERTY TAXES

It is estimated that the road and school legislation alone will reduce the average tax on property 47 cents per $100 of assessed value. The weighted average rate on rural property in 1929 was $1.58, hence the reduction promised is almost a third. This is ignoring the savings that will be effected in the cost of caring for prisoners. It also ignores the savings that will accrue through better financing as a result of the creation of the local government finance commission. The duties and powers of this agency were described in the June issue of the Review. It is required to pass on all bond or note issues and, if it can sanction, to negotiate the sale.

The reader may be wondering why the county tax rates are to remain as high as indicated above with no road levies and with school levies so greatly reduced. The explanation is debt. On June 30, 1929 the counties and subsidiary districts, exclusive of cities, had a bonded debt of $201,000,000. Retirements in the last two years have probably not exceeded new issues. During the next ten years the average levy for debt service alone will have to be 54 cents. Were it not for this item the rural taxpayers could anticipate a very moderate tax rate.

Another question that may arise in the mind of the reader is whether this extreme centralization is desirable. No attempt will be made in this article to answer that question. It may be stated, however, that the citizens of the state have not resisted the movement. Apparently they are more interested in tax relief than in preserving the rights and prerogatives of local self-government. It is almost certain, however, that there will be a reaction. In fact, certain politicians have already started to make capital out of the situation.

RECENT BOOKS REVIEWED

Municipal Expenditures. By Mabel L. Walker. Baltimore: The Johns Hopkins Press, 1930. 198 pp. $2.25.

Within recent years many political scientists, governmental researchers, and public officials have been seeking certain objective standards by means of which the services furnished by the government of one city can be compared with those of another. It is to the formulation of a composite of these standards for rating city government as a whole that Miss Walker has devoted herself in *Municipal Expenditures.*

Two types of standards are proposed in this treatise. The first is an inquiry into the stress accorded the several functions of the government and is largely based upon the proportion of the city budget which is applied to each function. In the second type, certain criteria are adopted for the various city activities and a large number of cities graded accordingly.

The findings in this book are interesting, but not convincing. On page 8, a comparison is made between the proportionate amount of the budget spent in this country and in England for ten different functions of government. Although the accuracy of the comparisons between the figures of each country are qualified in the text, the specific activities within each of the functions in the one country vary so materially from those in the other that I believe this sort of comparison entirely misleading. For instance, health in England receives 24.2 per cent of the budget whereas in this country it receives 2.3 per cent. The text does not remind us, however, that health work in England includes all types of sanitation work and some varieties of public welfare work which fall under other functions in the United States figures. Similarly, in education the relatively small amount spent in England on this item does not necessarily mean, as the author points out, that education may be very much less stressed in England. It is a matter of common knowledge that education in England has been traditionally a private rather than a public matter.

Moreover, I suspect that the figures for police and fire protection in this country (20.6 per cent) and England (7.7 per cent) are not at all comparable. The expenditures for fire protection in England are extremely small due to less hazardous construction. On the other hand, I would believe that the English police costs are relatively quite high because the number of policemen per capita in English cities is much greater than in this country. Perhaps the aid by the Home Office amounting to half of city police budgets has not been included.

Nor does it follow that in cities in this country certain activities are less important than others because less money is spent for them. For instance, the figures quoted on page 139 showing that 10 per cent of the budget in 1928 went to police, 8 per cent to fire, 2 per cent to health, 37 per cent to schools, etc., does not mean that these functions vary in importance in this proportion.

Moreover, the fact that the proportion of expenses budgeted to a function by cities has increased or decreased over a long period of years does not necessarily mean that the activity is becoming more or less important. It might just as well show, and I believe it does, that urban conditions have been undergoing change and that this change calls for more or less expenditures in respect to the various city functions. Even though American cities may have spent 7.7 per cent of the budget for fire protection in 1928 as compared with 10.5 per cent in 1905, this does not mean that fire protection is any less important now than formerly.

The author, however, appreciates that far more than this comparison of expenditures is needed in judging municipal governments and proceeds to set up certain criteria for a number of city activities by means of which she grades 160 cities. It is at this point that the book really gets down to business, and it is likewise at this point that the author runs into blind alleys.

In selecting the functions or activities which are to be subjected to these tests, the author sets forth the following requirements:

> First, they must be generally accepted as municipal responsibilities; second, they must be capable of quantitative measurements; and third, statistics for them must be available in terms of results rather than methods or costs.

These are all logical but the third requirement warrants further interpretation. It seems to me that this requirement falls into the following two parts:

(1) Statistics in terms of work done. These include an enumeration of the various types of work or methods which in itself furnishes a rather substantial index in some activities as to the results. For instance, if in a certain city, twenty miles of streets are cleaned daily by flushing and supplemented by hand brooming; forty miles cleaned daily by alternating flushing and motor pickup sweeping along, we know rather closely what sort of street cleaning service that city is receiving; for the results of each of these methods are pretty well standardized. However, the streets in another city receiving the same cleaning schedule may not be so clean day in and day out, due to such local conditions as type of pavement, character of refuse on streets, weather and topographical conditions, character of industry and population, and most of all the habits of the citizens. With this illustration in mind, the author's use of "number of times per week" as the test of street cleaning service can be seen as exceedingly superficial to say the least.

(2) Statistics in terms of results and costs. Certainly costs cannot be separated from results in such activities as street construction, garbage removal, street cleaning, etc. For instance, if in the street cleaning example cited above it costs one city half again as much to flush a mile of streets under identical conditions as another we certainly have some sort of an index of the service the cities are furnishing. Moreover, in most activities the measurement or the quality of the service or results is a rather intangible task. This type of measure is controlled to a marked degree by the public through its insistence or its willingness to pay, by the official in charge of the work, and by the trained critic or expert. With such a varied group of judges each having different prejudices and interests an agreement upon a standard of results or service is seldom if ever obtainable.

In order that the author may have simple measures which can be applied easily in statistical form, she refers briefly to some of these complicating factors and then proceeds with the task of grading cities. But most of the criteria adopted by the author reflect a few isolated conditions rather than measure the quality of services furnished by the city government. Perhaps the great need for a general index of city efficiency warrants the formulation of these proposals, sketchy as they may be, and in advancing this end the book is a contribution.

Although the value of the ratings are qualified in the text, the author continually assumes that the results are valid. I regret that I cannot join in her enthusiasm. A tremendous amount of water must flow over the research dam before such simple criteria as Miss Walker employs can be applied with much significance. In fact, I am not certain that it will ever be possible to set up such simple measures and by means of arbitrary ratings provide an efficiency index, so to speak, of a city as a whole.

I can agree, however, that "this study," as the author states, "has sought to emphasize the value of the comparative method in city administration," and that "the most important yardstick for any American city is the yardstick of other cities." Let us, therefore, direct our energies to establishing a nation-wide and uniform system of reporting the amount of work done under each city activity, the methods employed, its cost, and the various factors which affect the work in a particular city; and gradually through the use of this information arrive at certain measures or standards which will supply an index not only of the service which is done but of the qualities of the results.

Donald C. Stone.

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How Manchester is Managed—A Record of Municipal Activity. Edited by B. Leech. Manchester City Council, Manchester, England, 1930. 244 pp. 6d.

The British City is ostensibly governed by a large, popularly elected council subdivided into committees for administrative purposes. Roughly speaking, each committee is responsible for a department or function of city government. Associated with each committee are one or more permanent officials or civil servants in immediate charge of the work.

The report *How Manchester is Governed* purports to be of the Manchester City Council. In reality it is made up largely of the achievements and plans of its permanent officials.

Running as it does to more than two hundred pages and dealing fairly fully with the several departments, the report is reminiscent of those of American cities prior to an attempt at their popularization. There is the same absence of the devices of display and emphasis, the same multiplicity of detail with the frequent consequent failure to distinguish between matters of greater and lesser importance in the mind of the reader. Yet there are certain subtle differences from the average American report. There is an almost total absence of glittering generality and bombast. Party lines are not even mentioned, although they exist in the composition and organization of the council.

The achievements pictured in the report are interesting. It is at once evident that municipal activity has expanded along what we in this country would call "socialistic" lines further than in any American cities. Not only are the ordinary utilities—electricity, street cars, gas, water—municipally owned but the city in common with British cities generally is now responsible for most of the new housing construction. It is difficult for Americans to visualize the crusading spirit with which a British city attacks its slums, clears away old dwellings, and builds either model tenements or garden city suburbs.

Yet perhaps the most noticeable feature of the entire report lies not in anything tacitly stated but in certain underlying assumptions. Local self-government as the English use the term implies the active participation of the citizens themselves in their government—not, as in America, a freedom from central interference. This local self-government in the British sense is outstanding. There are over one hundred fifty elected and coöperated members of the council and its committees. Not one of these receives any salary. Most of these men are quite ordinary, a few are very capable. Practically all of them approach their committee work with a sense of responsibility.

Ernest S. Griffith.

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The Fiscal Problem in Missouri. By the National Industrial Conference Board, Inc., New York, 1930. 359 pp.

This survey of fiscal conditions in the state of Missouri was undertaken by the National Industrial Conference Board at the request of the Associated Industries of Missouri. The report was prepared ostensibly in anticipation of the 1931 legislative assembly which was destined to take some action upon the state's fiscal problems. The findings of the report relate mainly to the expenditures of the state and local governments; state and local indebtedness; the tax system and its administration, particularly the administration of the general property tax; state and local tax revenues; the farm tax problem; public school finance; financing the capital requirements of the state; problems of tax burden; possible sources of additional revenue. The report presents not only facts and figures but also treats critically both the present system of tax administration and particularly the plans proposed by the recent state survey commission for the financing of the public schools and the capital requirements of the state penal, eleemosynary, and educational institutions.

The criticisms of the system of tax administration are justified. Experts would be inclined to disagree, however, upon the advisability of a bond issue for capital requirements as recommended in the report in preference to the pay-as-we-go policy recommended by the state survey commission. A considerable part of the criticism of the finance program for the public schools recommended by the survey commission does not furnish convincing evidence that the proposed plan will prove deficient in practice. The criticism also fails to take into consideration sufficiently the intricacies of the problem and the political exigencies which must temper any program of state financing of local schools. Consolidation of local schools may result from the survey commission's program. The process of consolidation and redistricting is not so impossible under this program as the Conference Board report would lead us to believe.

The report relies mainly on prior surveys and earlier studies, and, therefore, does not throw any additional light upon the state's fiscal problems. For example, in such a subject as relative tax burdens there is need for a thorough and exhaustive study. The chapter on this subject in the report is very inadequate. The report is useful and valuable for the information it brings together on fiscal matters and the point of view it develops on the state's fiscal problems.

Martin L. Faust.

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The Personnel Classification Board. By Paul V. Betters. Institute for Governmental Research, The Brookings Institution, Washington, D. C. 1931. 160 pp. $1.50.

For the maintenance of its nation of 120,000,000 people who have widely divergent interests and who engage in widely divergent activities, the United States government employs a force of civil servants five times greater than its standing army. They number over 600,000 and they are placed in more than 450,000 different positions. These positions, which embrace every conceivable type of occupation from accountant to zoölogist, form a vast and complicated organization. They comprise a piece of administrative machinery, which, if the health and happiness of the nation are to be ensured, must not clog.

The personnel classification board, which was created by an act of congress in 1923, is faced with the difficult task of standardizing and classifying these many positions. The Institute for Government Research of the Brookings Institution has just published a study of this board, issued as one of its series of invaluable monographs on the government service and ably prepared by Paul V. Betters.

The organization of the personnel classification board as an independent establishment, responsible solely to the President of the United States, is the culmination of a century-old effort to equalize compensation and standardize positions. The board consists of three members—the director of the bureau of the budget, a member of the United States civil service commission, and the chief of the bureau of efficiency, all of whom serve in an ex-officio capacity. It maintains a staff of 62 permanent employees under the guidance of a director of classification. Its functions can be roughly classified under the following heads: (1) Classification of Positions; (2) Review and Revision of Efficiency Rating Systems; (3) Study of Compensation Rates; (4) Conduct of Survey of Field Service.

This new monograph of the Brookings Institution is an invaluable addition to its other studies of our federal governmental departments and agencies.

H. Eliot Kaplan.

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Zoning in the United States. The Annals of the American Academy of Political and Social Science, May, 1931, Part II. 230 pp.

One of the newest branches of city planning, zoning has rapidly reached an authoritative stage. The present document gives evidence of the strength and breadth of the movement. But to the present reviewer its most interesting articles are those dealing with the further application of the zoning idea to embrace county zoning and even state zoning, the integration of zoning with the designing of the city plan, the many advances in technique and scope noted in several articles, and last but not least the note of warning sounded against destructive practices by ill-advised officials.

The value of the document is greatly enhanced by the inclusion of a classified reference list of over one hundred and fifty selected titles, many of them very recent, compiled by the librarian of the Harvard Landscape Architecture and City Planning Library.

A decade ago it would have been difficult if not impossible to have assembled twenty-six adequately qualified contributors to such a symposium of zoning. It was noteworthy that the editor, himself a Californian, was able to secure over half the contributed articles from Californians.

Arthur C. Comey.

⁂

Kansas City Health and Hospital Survey. By W. F. Walker, Dr. P.H. and associates. Kansas City, Missouri, Chamber of Commerce, 1931. 329 pp.

Under the auspices of the committee on administrative practice of the American Public Health Association, public health surveys have been made during the past seven years in 42 cities, 33 rural areas, and 4 states. This appraisal of health facilities and their administration in Kansas City, the latest of the series to be published, maintains the high standard which has characterized all of these surveys. Like all of the others, it is virtually a text book on modern public health procedure.

This report answers the questions as to whether public health and hospital activities in this city of 400,000 are adequate, whether expenditures are sufficient, whether the operation of public health work is efficacious, and what are the immediate and future needs. As frequently occurs when civil activities are scrutinized by experts, the public health facilities were found to be only about 70 per cent adequate, expenditures too low, and leadership coming from the voluntary health groups instead of the official agencies.

Adoption of the recommendations in efficient health surveys such as this ought to do much to raise the standards of public health practice in this country. The American Public Health Association is making a notable contribution through these investigations, which must be consulted in their entirety to be fully appreciated.

James A. Tobey, Dr.P.H.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Procedure under the California Subdivision Map Act with Particular Reference to County Planning.—Hugh R. Pomeroy. Los Angeles Chamber of Commerce, 1931. 34 pp. Mr. Pomeroy, as an adviser to city and county planning boards, has had experience with subdivision legislation. The first law required the filing of a map of the subdivided area. The present law enacted in 1929 sets up complete procedure for laying out subdivisions and makes a planning commission almost an essential factor in the acceptance of such new development map by the municipality. Subdivision becomes a community concern rather than a marketing method. The procedure by which this is effected is the subject of this study, which was published through the courtesy of the Real Estate and Civic Devlopment Departments of the Chamber of Commerce. (Apply to Civic Development Department, Chamber of Commerce, Los Angeles, California.)

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Philadelphia Traffic Survey.—Mitten Management, Inc., 1931. 23 pp. The seventh of the series of traffic studies conducted by Mitten Management in coöperation with the Chamber of Commerce completes the survey of Philadelphia. The traffic characteristics of South Philadelphia are described, regulatory measures are suggested and a system of main traffic arteries recommended. (Apply to Mitten Management, Inc., Philadelphia, Pennsylvania.)

⁂

First Biennial Report of the State Auditor and Efficiency Expert of Texas.—Austin, 1931. 5 volumes. 956 pp. Moore Lynn, on the basis of a thorough survey of the general organization as well as the finances of the state, has submitted this elaborate report to the 1931 legislature with recommendations for immediate action. (Apply to State Auditor and Efficiency Expert, Austin, Texas.)

⁂

Financing Public Improvements and Suggestions for Ten-Year Improvement Program for the Territory of Hawaii.—Hawaii Bureau of Municipal Research, 1931. 201 pp. The senate of the Territory of Hawaii requested this study and the bureau had the assistance of a number of committees of officials and others in preparing the program of improvements. Various types of public development are included in the program, schools, highways, hospitals, airports, water works, harbors, courthouses, public office buildings, sewers and others. As an important factor in achieving the program the report deals extensively with plans for financing it. This is made complete by giving the history of public loans in Hawaii, the practices followed on the mainland, the laws and legal opinions governing public financing, the financial status of the various authorities undertaking improvements. Data are submitted on the possible methods of securing the funds necessary, for this proposed expenditure of thirty million dollars in ten years. The material so comprehensively covered in this report justifies its bulk. The measures have been submitted to the territorial legislature for their action. (Apply to Hawaii Bureau of Governmental Research, Honolulu, Territory of Hawaii.)

⁂

Proceedings of the Twenty-Fifth Convention of the Union of Nova Scotia Municipalities.—1931. 99 pp. In August of 1930 almost 200 delegates gathered at Truro to hear and take part in discussion of education, finance, agriculture, manufacturing, tax collection, railway payments in lieu of taxation, superannuation funds, hospital charges, and other subjects of municipal interest. (Apply to Arthur Roberts, K. C., Union of Nova Scotia Municipalities, Bridgewater, Nova Scotia.)

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Appropriation Items of Illinois Cities and Villages.—Illinois Municipal League, 1931. 31 pp. Fifty-six cities in Illinois sent to the League office finance material which has been compiled in four population groups. The population range from 475 to 105,000, and budgets from less than $1800 to $2,473,620. The budgets of these municipalities are given briefly with assessed valuation, estimated revenue from different sources and estimated expenditure. (Apply to Illinois Municipal League, Urbana, Illinois.)

Yearbook, 1929, Department of Health.—Commonwealth of Pennsylvania, 1930. 198 pp. This is the first time the state health department has published a report of this type. The result is a comprehensive but concise story of the work done and the health conditions of the state in vital statistics, communicable diseases, sanitary engineering, milk control, child health, nursing laboratories, public health education, narcotic drug control, inspection, sanatoria and clinics. The book includes also a financial statement on health work. (Apply to Theodore B. Appel, M.D., Pennsylvania Department of Health, Harrisburg, Pennsylvania.)

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City Planning and Related Laws in 1930.—Lester G. Chase. Washington, D. C., 1931. 46 pp. A number of changes in planning legislation during 1930 emphasize the growing conviction that orderly and controlled development is both economical and practical. Thirty-one states, the District of Columbia and the Territory of Hawaii have city planning enabling acts of some sort. The type of legislation is listed in this report. Many laws are based on the "Standard City Planning Enabling Act" of the bureau of standards and cover the general field of (1) making the city plan and organizing the city planning commission, (2) controlling new areas, (3) controlling buildings in mapped areas, (4) regional planning organization. The legislation passed is usefully indexed by state and subject matter. (Apply to Division of Building and Housing, Bureau of Standards, Department of Commerce, Washington, D. C.)

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Recreation, Civic Center and Regional Plan of Riverside, California.—Charles H. Cheney, Consultant. 47 pp. This serves as an inventory of Riverside's assets and points out lines of future development for a playground, school and recreation system, park and parkway projects, civic center and public building groups, and the embellishment and increase of the amenities of life. It includes also a short chapter on the regional or county plan, an index, maps and illustrations. (Apply Charles H. Cheney, City Planning Commission, Riverside, California.)

Second Annual Report of the Regional Plan Association, Inc.—New York, 1931. 20 pp. President George McAneny and Secretary Wayne D. Heydecker at the second annual meeting of the members of the Association report real progress in the development of the plan. Not only has public understanding and support been won, but a review of public works under way or proposed reveals a general and progressive development throughout the metropolitan area which is in harmony with the Plan. The report describes briefly how throughout the fifty mile radius from New York City this studied development is taking place. (Apply to Regional Plan Association, Inc., 400 Madison Avenue, New York City.)

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Survey of Zoning Laws and Ordinances Adopted during 1930. Zoned Municipalities in the United States.—Norman L. Knauss. Washington, D. C., 1931. 24 pp. 39 pp. The seventy-seven areas which adopted zoning regulations in 1930 brought the total to 981, including 67 per cent of the urban population of the United States, with 82 cities over 100,000 in population and 44 municipalities under 1,000. The first bulletin describes and indexes the 1930 legislation, with a special section on the regulation of land uses in areas adjoining airports. The second bulletin lists the zoned municipalities by states and gives the population, year of adoption and amendment, and describes the type of ordinance in use. (Apply to Division of Building and Housing, Bureau of Standards, Department of Commerce, Washington, D. C.)

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Building Code and Plumbing Code Tabulation.—Bureau of Standards, Washington, D. C., 1931. 42 pp. This tabulation gives the list of cities of over 5,000 population which have building and plumbing codes, the dates of adoption of the present code, the principal recent changes and whether or not the code is now being revised. It is expected that the cities now working on changes or contemplating such may communicate with others having like problems, for the interchange of experience in the development of safe and economical codes. (Apply to Building Code Committee, Bureau of Standards, Department of Commerce, Washington, D. C.)

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE

Professor of Law, New York University

Power of Zoning Boards of Appeals to Grant Variations.—Friends of zoning legislation will note with some regret the decision of the Supreme Court of Illinois in the case of *Welton* v. *Hamilton* 344 Ill. 82, 176 N. E. 333 (April 23, 1931). The zoning law of Illinois (1921/3) provides for a board of appeals with power to determine and vary the application of zoning regulations in harmony with their general purpose and intent and in accordance with general or specific rules contained in the regulations. "Where there are practical difficulties or unnecessary hardship in the way of carrying out the strict letter of the ordinance the board of appeals shall have the power in passing upon appeals to vary or modify the application of any of the regulations or provisions of such ordinance relating to the use, construction or alteration of buildings or structures or the use of land, so that the spirit of the ordinance shall be observed, public safety and welfare secured and substantial justice done."

This power of variation, which is a familiar feature of zoning legislation, the court holds to be an invalid delegation of power because it provides no rule or standard for the guidance of the board other than its own uncontrolled discretion.

It is interesting to note that the power of variation was originally devised as a safety valve to give owners aggrieved by the zoning of their property a chance to obtain relief upon the basis of the law itself without attacking its unconstitutionality; a purpose which for a number of years was accomplished in New York (See Proceedings National City Planning Conference 1925, p. 118); and that in Illinois it is now the power that is declared unconstitutional, while the general principle of zoning legislation itself has been sustained (*Aurora* v. *Burns*, 319 Ill. 84, 149 N. E. 784).

That an administrative power to vary a statute presents constitutional difficulties cannot be denied. Do those difficulties apply equally where an ordinance is to be varied, and not a statute? The Supreme Court of Illinois does not discuss the difference, treating the problem merely as one of the relation of legislation to administration, and of the delegation of an unregulated discretion in the application of the law.

Decisions in Hopeless Confusion

Every student of the subject knows that the American decisions concerning the validity of unregulated administrative discretion are in hopeless confusion; in Illinois it is difficult even to reconcile the decisions of the Supreme Court of the state. In dealing with so difficult a matter as the delegation of power, courts can hardly avoid operating with phrases that cannot stand close analysis; but one wonders whether the Supreme Court itself understands the meaning of what it declares to be the basic distinction: "The true distinction is between a delegation of power to make the law, which involves a discretion as to what the law shall be, and conferring an authority or discretion as to its execution, to be exercised under and in pursuance of the law. The first cannot be done; to the latter no objection can be made."

To the writer this has always seemed to be a distinction without a difference; but in view of the elusiveness of the criterion, it is not surprising that the court easily persuades itself that all its decisions sustaining delegated discretion fall on one side of the distinction, and all its decisions against the validity of the delegation, on the other.

Unlike other laws, a zoning ordinance is not an expression of abstract principle, but a concrete arrangement with a very vague statement of principle merely as a background. As regards the principle, any delegation would necessarily bear only on application; as regards the concrete plan, a delegated power to vary cannot be otherwise than a departure from a strict rule of non-delegability. But it begs the question to say that a delegation of this character is unconstitutional. It should be remembered that in the establishment of a concrete plan, the two categories legislation and administration blend into each other, that the analogies of abstract legislation operate only imperfectly, that any concrete plan imperatively calls for occasional variation, and that it is practically impossible to state or define in advance with absolute exhaustiveness what specific circumstances or conditions constitute practical difficulties and unnecessary hardship.

While the case is disposed of entirely on grounds of constitutional invalidity, the court, in the course of the opinion makes the following significant statement: "In this particular case the board of appeals did not make any attempt to state what the difficulty or hardship was in the way of carrying out the strict letter of the ordinance or in what respect the spirit of the zoning ordinance might be observed, the public safety or welfare secured and substantial justice done by the erection of the proposed building. The board simply made the general finding that there is unnecessary hardship, etc., and ordered the issue of the permit, and the only thing decided is that the board of appeals thought a permit ought to issue in this case in accordance with the plans submitted and in violation of the express provisions of the ordinance but with no indication of the reasons why."

It appears from this, that by the application of general principles of administrative law, the court should have been able to reverse the decision of the board of appeals upon the board's own record or lack of record, applying the general rule that when a board has power to make a determination, upon a hearing, there must be record evidence sufficient to substantiate the decisions reached. Plainly the decision of the board could not stand this test. This more conservative method of dealing with the case would also have made the discretion of the board appear as one judicially controllable as to its exercise; and the delegation of such a discretion, being a valuable and indispensable adjunct to the necessarily complex provisions of modern regulative legislation, should not lightly be held to be invalid.

ARBITRARY POWER AND ARBITRARY EXERCISE CONFUSED

When the court says, "The mere fact that the owner of a particular parcel of property in a certain district, acquired long after it was classified under the zoning ordinance, can make more money out of it if permitted to disregard the ordinance instead of required to comply with it is neither a difficulty nor a hardship authorizing the board of appeals to permit such owner to disregard the ordinance so far as it interferes with his plans for a more profitable use," it states a sound proposition; but when it adds "and the Legislature was without power to authorize an administrative board to grant such permission," it may well be suggested that the legislature never did grant such permission.

Is it not true that the court declared a power invalid because it was arbitrarily exercised when it might have struck down the arbitrary exercise, and saved the power with a view to its legitimate application?

What is the effect of the decision? The varying power of the board of appeals is gone, but the power of the city council to amend the zoning ordinance must remain, since it is indispensable. An amendment by the council may be as arbitrary as a variation by the board of appeals. A court of equity can grant relief against an arbitrary amendment; and it does so, not by declaring its exercise illegal (*Phipps* v. *Chicago*, 339 Ill. 315)—precisely what the court should have done in the present case.

REVISED ORDINANCE MAY SAVE BOARD OF APPEALS

Even subject to a judicial check on general equitable principles, the power of amendment vested in the council is in its intrinsic guaranties of conservative and fair exercise hardly superior, if indeed it is equal, to an administrative power of variation. Or rather, the amending power is equally capable of abuse, if there are no better safeguards than those hitherto found in the amending process. Legislation, even if controlled by a judicial veto power, can hardly rival in effectiveness a semi-judicial administrative procedure. The question, then remains whether the benefits of such a procedure cannot be saved even under the decision in *Welton* v. *Hamilton*.

The zoning ordinance in force when *Welton* v. *Hamilton* was decided dealt very briefly with the subjects of the board of appeals and of amendments, prescribing no safeguards for the board procedure, and only the most meagre safeguards for the amending process. The original zoning ordinance of April 5, 1923, had been very different in this respect. Section 29, entitled "Functions of the Board of Appeals," had prescribed for variations a recommendation by the board based upon a hearing, and carried into effect by an amending ordinance, and had specified seventeen different grounds for variation. It does not appear why this conservative procedure was subsequently discarded. But at the time this note is being written, there is pending before the council a proposition to reinstate the provisions of the former ordinance in substantially the original form (See Council Proceedings of July 20, 1931,) and the proposition will undoubtedly be adopted.[1] The decision in *Welton* v. *Hamilton* will thus at least have the beneficial effect that a less satisfactory will be replaced by a more satisfactory procedure. The delegation declared unconstitutional will disappear; the varying power vested in the council is not only not a further delegation of power, but it is also not a power left without guiding standards; the constitutional objections that were found fatal in *Welton* v. *Hamilton* appear to have no application to the proposed reënactment of the original law.

It is true that the safeguards proposed to be reinstated are based upon ordinance only, and not on statutory requirement; but the Supreme Court of Illinois has recently held that the city council is bound by its own requirements, and that an ordinance passed in contravention of such requirements is invalid. (*Cain* v. *Lyddon*, 343 Ill. 217, 175 N. E. 391.)

It is to be hoped that under the new dispensation it will be found possible to handle the difficult problem of variation with such measure of fairness and impartiality as can be expected under the limitations of human imperfection.

Ernst Freund.

✣

Zoning—Necessity for Definite Standards in Imposing Restrictions Upon the Character or Use of Property.—In connection with the able discussion of *Welton* v. *Hamilton* by Dr. Freund, attention may be called to the recent decision of the Supreme Court of Pennsylvania in *Taylor* v. *Moore*, 154 Atl. 799, which deals with the effect of providing suitable administrative machinery, with an opportunity for appeal, upon the right of one aggrieved by zoning regulations to raise the constitutional question in other actions. The plaintiff sought by mandamus to compel the building inspector of the borough of Beaver to grant him a permit to build a gasoline service station on his property. His application had been refused by the inspector and the board of adjustment, but he had not availed himself of his statutory remedy of appeal to the court of common pleas. The defendant contended that the plaintiff was precluded to raise the question of his constitutional rights until he had exhausted his statutory remedy.

The court held that the relator is confined to his statutory remedy in all cases except those where officials act without authority or without power, and directed that the mandamus proceedings be transferred to the court of common pleas and docketed as an appeal from the order of the board of adjustment. But the court points out that upon such appeal the constitutional question may be raised and that following the statutory remedy in no way amounts to an acknowledgment of the validity of the zoning ordinances or of the proceedings taken thereunder. After calling attention to the vagueness of delimitation of the districts zoned and the lack of any definite standards upon which to base a determination of compliance with the restrictions, the court proceeds to state the principle as follows:

> When an act directs that an ordinance thereunder shall prescribe suitable rules and regulations intended to accomplish the operation and enforcement of the law in accordânce with the express legislative will, the ordinance must prescribe some suitable standard by which the action of the board should be governed. Where a zoning ordinance permits officials to grant or refuse permits without the guidance of any standard, but according to their own ideas, it does not afford equal protection. It does not attempt to treat all persons or property alike as required by the Zoning Act. While the exercise of discretion and judgment is to a certain extent necessary for the proper administration of zoning ordinances, this is so only where some standard or basis is fixed by which such discretion and judgment may be exercised by the board. Where a zoning ordinance is vague and indefinite, it cannot be sustained as valid under the authorizing act.

It may be noticed that both of these decisions give a severe blow to the idea permeating many of our zoning ordinances that constitutional property rights may be properly protected by the amplification of administrative machinery. Boards of zoning appeals in many cities have come to believe that under the broad standards laid down by general zoning ordinances the discretion committed to them may be exercised arbitrarily, so long as they observe the requirements of notice and hearing. Whether or not the courts of a given state hold such undefined administrative processes to be constitutional, practical experience proves the necessity for more specific and definite standards to insure to property owners the equal protection of the law.

✣

Officers—Removal for Cause—Limitations upon Governor's Power in Virginia.—By a vote of four to three, the Supreme Court of Virginia in the recent case of *Fugate* v. *Weston*, 157 S. E. 736, has declared unconstitutional section 266 of the Tax Code vesting in the governor the power to summarily remove a county or city treasurer for malfeasance in office. The ground of the court's decision is that the removal of an officer for cause is a judicial function, requiring notice and hearing, and cannot be delegated to the executive under the sections of the constitution providing for a separation of the powers of government. The several opinions in this case are an important contribution to our law of a motion of public officers and the case will take a place with other leading cases on this point. The power of removal is generally incident to the power of appointment (*Richards* v. *Clarksburg*, 30 W. Va. 491, 4 S. E. 774; *Myers* v. *United States*, 272 U. S. 52), and in some states the constitution commits to the governor the power to remove locally elective officers (*In re Guden*, 171 N. Y. 531, 64 N. E. 451).

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[1] The ordinance has since been adopted.

Under this decision the general assembly cannot vest in the governor any power of removal of local officers, although in Virginia the principal legislative and executive officers of cities are held to be state officers (*Lambert* v. *Barrett*, 115 Va. 136, 78 S. E. 586). Section 120 of the state constitution, however, expressly authorizes the general assembly to vest the powers of suspension and removal of subordinate municipal officers in the mayor. It is also to be noted that section 2705 of the Code provides for removal of all state, county, city and town officers by a somewhat summary judicial process. Nevertheless, it seems unfortunate that section 266 of the Tax Code, which has been on the statute books since 1887, should be eliminated. Control by judicial process in cases of defalcation or other delinquencies is often too slow to be effective. The power of summary suspension or removal by the governor has been found in other states to be a valuable check upon official misconduct. It will be interesting to follow what action will be taken by the people of Virginia to meet this situation, whether by an amendment to the constitution or by the adoption of some kind of administrative control over fiscal officers that will insure the public against their derelictions.

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Parks and Playgrounds—Liability for Maintenance of Nuisance.—The application of the doctrine of immunity of municipal corporations in tort for the acts of their officers and employees when in the performance of so-called "governmental functions" has been distinctly modified in the past few years, both by the tendency of the courts to extend the sphere of "proprietary functions" and the recognition of liability in all instances where the activity of the municipality is revenue-producing or where it results in a positive trespass upon real property or in the creation of a nuisance. Those courts which have not yet extended the nuisance theory to predicate liability in tort where the activity is classified as governmental, may grant equitable relief against its continuance (*Hennessy* v. *Boston*, 265 Mass. 559, 184 N. E. 470), but refuse to hold a municipality liable for injuries due to the negligence of its officers or agents.

A marked tendency is apparent to predicate liability in all cases where the maintenance of a nuisance, authorized or permitted to exist on municipal property, is shown to be the cause of the injury. The courts of Connecticut have consistently held that in the maintenance of parks and playgrounds, a city is performing a governmental function, but in its recent decision in *Hoffman* v. *City of Bristol*, 155 Atl. 499, the Supreme Court of that state has taken the advanced ground that a municipality is to be held liable in all cases where the injury complained of is the result of a nuisance existing in a park or playground. The plaintiff in this case was injured at a free bathing beach by jumping off a diving board maintained by the city. The water was so shallow as to make diving hazardous and no proper warning of the dangerous surroundings was given.

The test of liability in tort based upon nuisance is thus defined by the Court of Appeals of New York in *Melker* v. *New York*, 190 N. Y. 481, 83 N. E. 565:

> If the natural tendency of the act complained of is to create danger and inflict injury upon person or property, it may properly be found a nuisance as a matter of fact; but, if the act in its inherent nature is so hazardous as to make the danger extreme and serious injury so probable as to be almost a certainty, it should be held a nuisance as a matter of law.

This is the test now adopted by the Connecticut courts. It is no longer of practical significance in New York in situations similar to that of the instant case, as the courts of that state have adopted the rule that the maintenance of parks whether by a city, a county or a town is, for the purpose of determining liability in tort, to be regarded as a proprietary and not as a governmental function (*Augustine* v. *Town of Brant*, 249 N. Y. 198, 163 N. E. 732); and that the municipality is liable for the negligent acts of its officers and employees in performing this function. The Connecticut courts had recently made an exception to its rule of non-liability in cases where a substantial revenue is derived from the lease of park privileges (*Carter* v. *City of Norwalk*, 108 Conn. 697, 145 Atl. 158). The next logical step would be to recognize in the extension of modern park and playground activities a sufficient warrant for holding that in providing these forms of recreation a city is acting primarily for the convenience and pleasure of the people of the locality and is performing a local function for which it should be held accountable upon the same basis as a private proprietor.

✱

Nuisance—Pollution of Tidal Waters by New York City.—The United States Supreme Court on May 18, 1931, decided that New York City must cease its long-established practice of dumping its garbage into the Atlantic Ocean (*State of New Jersey* v. *City of New York*, 283 U. S. 473, 51 Sup. Ct. Rep. 519 [Adv.], 75 L. ed. 740 [Adv.]). The city contended that the Court was without jurisdiction, as the garbage was dumped beyond the three-mile limit and without the territorial jurisdiction of the United States. The findings of the special master, appointed by the Court to hear the evidence, showed that at certain times during the year the garbage thus deposited was carried into the territorial waters of New Jersey, causing great loss to the fishing industry and the summer resort business, lowering property values and constituting a menace to the public health. In approving the master's report, the Court held that under these circumstances the dumping of garbage into the high seas was a nuisance which the Court had jurisdiction to abate, and that the state of New Jersey was entitled to an injunction. The Court ordered the master to conduct further hearings in order to fix a reasonable time in which the city would be able to devise and construct other means of disposing of its garbage, and with all convenient speed to report his findings and a form of final decree. These hearings have now been concluded, briefs have been submitted, and the master's additional findings are expected to be submitted early in September.

✱

Streets and Highways—Condemnation of the Fee for Highway Purposes.—The question whether under the provisions of the constitution of the state, the legislature may authorize the condemnation of more than the necessary easement for travel has recently been before the courts of New Jersey. The Supreme Court in the cases of *Frelinghuysen* v. *State Highway Commission*, 152 Atl. 80, and in the recent case of *Holcombe* v. *Western Union Telegraph Co.*, 154 Atl. 837, holds that under the constitutional provision that "private property shall not be taken for private use without just compensation," the power is limited to what is absolutely essential for the public use. Both of these cases are now before the Court of Errors and Appeals, and its decision will finally determine the law.

This question is especially important to the public utility corporations, whose franchise rights in the public highways will not be hampered by the rights of abutters if the higher courts hold that the fee is appropriated upon condemnation for highway purposes. In the *Holcombe* case, for example, the liability of the defendant to compensate an abutting owner for poles erected in the highway turns upon the question of the extent of the appropriation. The question is of less importance in those states which give a broader content to the public easement of travel and hold that the erection of telegraph and telephone poles does not impose any additional servitude upon the fee.

It may be noted that the New Jersey legislature in 1930 enacted statutes expressly conferring upon the state highway commission the power to condemn the fee. In New York, where the constitutional power of the legislature to direct or authorize the condemnation of the fee for highway purposes has long been recognized, the Court of Appeals has recently held that under modern conditions a statute giving a state commission the power to condemn the title to real property for highway purposes should be construed to require a condemnation of the fee (*Thompson* v. *Orange & Rockland Electric Co.*, 254 N. Y. 366, 173 N. E. 224). The basis of the construction of the statute adopted in the New York decision is that under present-day conditions no valid distinction can be drawn in this respect between city streets and public highways built under a comprehensive plan of general highway improvement. "Such highways," says the court, "are no longer a matter of merely local consequence." It would seem that similar considerations should be applied to extend the concept of public use in New Jersey, especially since the legislature has declared the necessity of condemning the fee for state highway purposes.

✤

Eminent Domain—Trade Fixtures as Real Property under Condemnation Statutes.—In the case of *In re Allen Street and First Avenue,* 256 N. Y. 236, 176 N. E. 377, the Court of Appeals defeated the contention of the city of New York that it had no power to condemn trade fixtures, because under the law of the state they are regarded as personalty, and therefore the city was not liable for an award in condemnation proceedings for their value. Section 970 of the charter confers power to condemn only real property, but section 969 defines real property to include improvements thereto. The majority opinion holds that improvements include trade fixtures removable by the tenant, even though for many purposes they retain the characteristics of personal property.

The general question had been decided in 1907 in the case of *City of New York* (North River Water Front), 118 App. Div. 865, affirmed 189 N. Y. 508, in which it was held that the tenant must be compensated for his unexpired term, and for trade fixtures he had installed even though as between the landlord and tenant they are to be regarded as the personal property of the tenant.

In the instant case, however, it was stipulated between the landlord and the tenant that the lease should terminate *ipso facto* upon condemnation of the fee. The court holds that this fact should make no difference in the result and that in all cases of the condemnation of leased property the city is liable to the tenant for the value of trade fixtures, which are part and parcel of the realty for purposes of condemnation.

✤

Powers—Expenditure of Money to Advertise Municipality.—In *Loeb* v. *City of Jacksonville,* 134 S. 205, the Supreme Court of Florida holds that an ordinance of the city levying an *ad valorem* tax to create an advertising fund is *ultra vires* and void, on the ground that no express power to expend public moneys for that purpose has been granted by the legislature. The action was brought by a taxpayer for a declaration that the appropriations for the entertainment of the representatives of the Imperial Council of the Ancient Arabic Shrine of North America and of other worthy associations included in the city budget and aggregating $89,980 be declared void. The opinion of the court is based upon sound legal principles, and the action indicates a commendable tendency on the part of the taxpayers to take steps to limit municipal extravagance. The decision is in accord with the well-known case of *State* v. *Cape May* (1901), 66 N. J. L. 544, 49 Atl. 584, which denied that the city had the implied power to advertise its advantages.

It may be noted that in many states statutes expressly give the municipality this power. For example, the New Jersey Home Rule Act of 1917 provides that "every municipality may appropriate funds for the purpose of advertising the advantages of the municipality." Similar grants of power, but restricting the amount that may be appropriated, are found in the New York statutes (Village Law, Section 28; General City Law, Article 2, Section 13b).

In those states where the constitution provides for home rule charters, the city electorate may amend the charter and confer such power upon the municipality. In *Sacramento Chamber of Commerce* v. *Stephens, City Treasurer,* 290 Pac. 728, the Supreme Court of California, on May 7th of this year, held that under a home rule amendment to the city charter providing that the council "may appropriate and spend money from the funds of the city" for the purpose of advertising the city, etc., the council had power to make a contract with the local Chamber of Commerce to entertain foreign visitors and to advertise the city, holding directly that these activities relate to public purposes. On the last point the court cites *Daggett* v. *Colgan,* 92 Cal. 53, 28 Pac. 51, 14 L. R. A. 474, a case relating to the California World's Fair Commission, to this effect: "That what is for the public good and what are public purposes are questions which the legislature must decide upon its own judgment, in respect to which it is vested with a large discretion which cannot be controlled by the courts, except, perhaps, where its action is clearly evasive."

The result of the decisions is that advertising is a public purpose for which the power of taxation can be exercised. But before any tax for this purpose can be levied or money appropriated therefor, the municipality must have an express grant of power either by general statute or by an amendment to its charter. If such power has been granted, the city will have a wide discretion as to the method of its exercise.

PUBLIC UTILITIES

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THE SERVICE CHARGE AND ITS DEVELOPMENTS IN NEW YORK

The service charge doctrine has been actively sponsored by the national utility associations, and has obtained the support of most of the engineers who have had to do with rates, particularly those employed by the companies. It has also been avowed by a considerable number of commissioners, who have been almost incessantly bombarded with "scientific" literature and discussion by representatives of the utility organizations. But, in reality, there has been little of real scientific research, little impartial analysis; and the broad public side has received scant consideration.

THE NATURE OF THE SERVICE CHARGE

The service charge consists of a separate charge made for the rendering of service, as distinguished from the delivery of gas or electricity itself. In its direct form, it appears as a fixed sum per month per customer (commonly $1.00) to cover all the costs which are held to be customer costs, such as meter reading, billing, collecting, and similar items which can be more or less directly identified as due to the number of customers and not to gas or electricity delivered.

The service charge idea has been incorporated in the rate structures in so many different forms, that we shall not endeavor to present a detailed description. In its direct form it has met almost general resistance on the part of ordinary domestic consumers; hence, it has been extensively modified, so as to include a small quantity of gas or electricity with the fixed monthly charge. But this modification has been recognized as an evasion, and has met almost as much resistance as the direct service charge.

DISTINGUISHED FROM MINIMUM BILL

The service charge form of rate is generally distinguished from the minimum bill, which has been rather widely recognized as a reasonable provision. The minimum bill, also, fixes a definite monthly sum to be paid by the consumer; but the amount may be applied to a substantial quantity of gas or electricity. Thus, for a fixed minimum bill of $1 per month, the customer would be entitled to receive 800 cubic feet, or some other substantial amount of gas, or 10 kilowatt hours of electricity.

The object of the minimum bill is fundamentally the same as that of the service charge—to protect the company against losses on the part of very small customers who require as much attention, and to a certain extent involve as much cost, as do the larger customers. The difference between the two types is that the one provides a distinct charge without any gas or electricity, while the other permits the consumer to use a substantial amount of gas or electricity for the amount paid. The service charge, therefore, makes the ordinary or small users pay a higher average rate than the large consumers; and, whenever it is first introduced, results in raising the bills of about two-thirds of the customers, and in reducing the bills of the much smaller group of larger customers.

THE SPREAD OF THE SERVICE CHARGE

The drive on the part of the companies has been for the service charge, or its equivalent, with a very small quantity of gas or electricity included with the initial charge. This form of rate has been rapidly extended throughout the country. For the most part, it has been introduced by the companies with the more or less tacit approval of the commissions. The opposition has consisted almost altogether of declaration and rhetoric, rather than cost analysis with relation to a reasonable schedule of rates.

Where any substantial effort was made to support the service charge with proof, the companies have generally presented cost allocations patterned after the analysis sponsored by the national associations. In these calculations, all costs were divided into two groups: (1) Those supposedly dependent upon the number of customers, and (2) those dependent upon the quantity of gas or electricity used. If the underlying assumptions as to the *cause* of the costs were to be accepted, and if the allocations were properly made, then unquestionably the first group would be properly divided equally between the number of customers, and the second equally by the quantity of gas sold. The result would be an equitable rate for all consumers.

But, the difficulty has been with the basic assumptions and with the practical subdivisions into the assumedly fundamental group, and, in part, with the disregard of other considerations that enter into a reasonable rate schedule. There are, of course, distinct customer costs, and definite commodity costs; but most of the costs incurred by a company do not fall into this simple grouping, but have mostly been arbitrarily classified as customer costs. This applies to all the general and miscellaneous expenses, to most of the supervisory costs, and to the bulk of the taxes and return on property used in the public service. These are all more or less fixed costs or overheads, and do not depend directly on either the number of customers or quantity of gas or electricity sold. Their inclusion among customer costs is wholly arbitrary, and produces a service charge which is excessive and discriminatory against the smaller users.

The character of these relatively-fixed and non-variable costs, and their relation to a reasonable schedule of rates have been ignored in practically all of the service charge cases. These costs not only do not depend upon the number of customers, but mostly they vary enormously with conditions under which customers are served. Take, for example, the costs relating to distribution mains (or lines) and services. In territories of elaborate single-family houses, the cost per customer is large; while in sections of large apartment houses, the cost per customer is low; but, at the same time, the larger users live mostly in single family houses, and the smaller users in apartments. If, under these circumstances, all such costs are divided equally per customer, and are thus included in a service charge, the smaller customers obviously are compelled to pay costs which are due largely to conditions under which the larger customers are served.

This cost relationship between size of customers and conditions under which the service is furnished, has practically been ignored by the commissions—because it has not been adequately brought out by the opponents of the service charge. Up to the time the New York cases were first heard in 1928, these variations in relative costs with different conditions of service, were never presented to the commissions, and the service charge had become widely accepted, on the erroneous assumption that the costs were due to customers and were the same per customer under all conditions of service.

THE SERVICE CHARGE IN NEW YORK

The service charge movement struck its first intensive resistance in the state of New York. In 1923, after the gas companies (which, much more than the electric companies, have forced the service charge type of rate), had attempted to introduce the service charge extensively throughout the state of New York, the legislature blocked the effort by amending the Public Service Commissions Law so as to make the service charge illegal for gas companies.

Immediately after the enactment of the bill prohibiting the service charge, a considerable number of companies merely changed the rate, from a direct service charge, to the so-called "initial charge," by allowing the consumer, for such a charge, 100 or 200 cubic feet of gas. This modification was, manifestly, a thinly-disguised service charge; but it was permitted to go into effect by a commission which as then constituted was none too critical of the proposals of the companies.

This was the situation in the summer of 1927, when the Brooklyn Borough Gas Company filed a new schedule of rates which, for domestic consumers, replaced the flat rate of $1.30 per M cubic feet of gas, with $1 a month per customer for the first 200 cubic feet of gas or less, and 11 cents per hundred cubic feet for additional gas consumed per month. This rate became legally effective before the consumers were aware of the change. But with the receipt of the first bills under the new schedule, active opposition started, and the commission was petitioned to investigate the legality and the reasonableness of the initial charge. Before the inquiry got far under way, the Brooklyn Union Gas Company filed a similar schedule of rates, which was immediately suspended by the commission, pending investigation of its reasonableness. The two sets of hearings were then continued simultaneously; but in the Brooklyn Borough case the new form of rates was in effect, while in the Brooklyn Union case it was suspended, and the old flat rate of $1.15 per M cubic feet remained.

Just as the procedures in the two cases were different, so the decisions were out of harmony. Although the same issues and the same kinds of facts were presented in the two instances, in the Brooklyn Union case the proposed schedule was rejected, while in the Brooklyn Borough case it was approved. In both cases, however, petitions were filed promptly for re-hearing.

EXTENSION TO ELECTRICITY

Before the re-hearings in these gas cases were completed, the same issue was raised as to electric rates. The four electric companies in the Consolidated Gas system, which supply the bulk of electricity in different sections of New York City, filed a new schedule of rates in the summer of 1930. Their rate schedule had differed widely, both as to form and as to level of charges for similar kinds and quantities of service, and the new schedules proposed uniform rates throughout. They provided a direct 60 cents service charge per month, and a 5 cent rate for practically all electricity used for residential purposes.

This proposal met with opposition, because the 60 cents service charge would result in increasing the rates to the ordinary and small users, against a decrease for large users. In Manhattan especially, there had been the single flat rate of 7 cents per kilowatt hour up to 1000 kilowatt hours a month. The new schedule would result in an increase for all customers up to 30 kilowatt hours per month, and a reduction for those above that quantity. Since the small users are mostly apartment house dwellers, and since Manhattan is mainly an apartment house territory, the increases would apply heavily to Manhattan consumers.

In the case of electricity, the only question raised was the reasonableness of the service charge, and not its legality, because the legislative prohibition did not extend to electric rates. The commission announced, however, early in the electric hearings (also about the same time in the gas hearings), that it would consider all three cases on the same basis, notwithstanding the difference in legal status.

THE RECENT DECISIONS

Early in the summer of 1931, the commission decided, first, the electric case, and then the gas cases. Its interest was centered especially upon the desirability of uniformity and the establishment of proper type of rates not only in New York but throughout the state. The actual decisions carry the sign of compromise, so far as specific provisions within the general form of rate adopted are concerned.

In general, the service charge was rejected as a desirable part of a schedule of gas or electric rates. The rejection was based partly upon the difficulty or impossibility of determining a reasonable service charge which would operate equitably throughout among all classes of consumers; and partly upon the fact that there is the psychology of resistance against the service charge.

The commission, however, recognized the fact that there are certain inescapable costs incurred by the companies as long as customers are attached, even though they use no gas or electricity. To meet this condition, and to prevent such outright costs to be paid by other customers, the commission adopted a minimum bill, under which the customers are allowed a substantial quantity of gas or electricity with the fixed monthly amount paid.

The minimum bill, both for gas and electric companies, was put at $1 a month per customer. For gas, there was included in the minimum bill 600 cubic feet per month per customer for the Brooklyn Union Gas Company, and 500 cubic feet for the Brooklyn Borough Gas Company.

For electric residential customers, the minimum bill of $1 allows 10 kilowatt hours; the next 5 kilowatt hours are furnished at 6 cents, and all over 15 kilowatt hours, 5 cents per kilowatt hour.

AN INDIRECT SERVICE CHARGE

Analysis of these rates shows that the commission does provide for an indirect service charge, as embodied in the minimum bill and, in the case of electricity, in the somewhat higher intermediary charge between 10 and 15 kilowatt hours per month. In the case of gas, the follow-up commodity rates were not definitely fixed. It is assumed, however, that for the Brooklyn Union Company the follow-up rate will be 9 cents per 100 cubic feet, and for the Brooklyn Borough 10 cents. On this basis, all consumers who use at least the amount of gas provided for in the minimum bill, will pay a service charge of 46 cents to the Brooklyn Union, and 50 cents to the Brooklyn Borough.

Similarly for the electric companies, the ordinary consumers who use at least 15 kilowatt hours a month, the indirect service charge comes to 55 cents a month. Those who use less than the amount of gas or electricity allowed in the minimum bill, will pay more than the standard indirect service charge, and the maximum comes to $1 per month per customer.

Thus considered, the standard service charge ranges from 46 cents a month for the Brooklyn Union, to 55 cents a month for the electric companies. In each case, however, the customer is entitled to a substantial quantity of gas or electricity with the fixed one dollar per month. The schedules tend to meet the requirement of reasonable rates, as well as the legal prohibition of the service charge for gas.

The one dollar per month as thus fixed cannot be designated directly as a service charge in form. It is of the minimum-bill type, which was not prohibited by the New York statute, and which is generally distinguished from the service charge form.

Considered merely as to the amount of the indirect provisions to meet the cost of service, as distinguished from charges for gas or electricity, a charge of 46 cents to 55 cents cannot be regarded as unreasonable. If distinct provisions are to be made, directly or indirectly, in a rate schedule for the rendering of service, then the amount could not be much less than established indirectly through the type of minimum bill as fixed by the commission.

DOUBT AS TO REASONABLENESS

Under New York City conditions, and generally under conditions prevailing in cities throughout the country, there is doubt whether even such a moderate, indirect service charge should be imbedded in the schedule of rates for domestic users. While, of course, there are distinct service costs which, *considered by themselves*, would under most city conditions come close to 50 cents a month per customer, this is not all there is to an appropriate cost analysis. There is, first, the question whether all properly determined customer costs are really equal, per customer, for all customers. And there is the second question, as already indicated, whether the relatively fixed costs do not vary greatly with service conditions, and whether in reality they should not properly be allocated much more per customer to the larger users.

In New York, and in most cities, there is a wide difference in service costs between different customers. There is a still greater difference in the fixed costs imposed upon the company by the relative conditions under which different classes of customers are served. If these differences are properly considered and balanced against the service costs, in our judgment the validity of a standard service charge disappears, and a flat rate with a minimum bill seems the most reasonable all-around rate for domestic schedules.

As applied to the New York rates, there is grave doubt whether there is justification for a higher commodity rate applied to the gas included in the fixed monthly charge than for consumption beyond the initial quantity.

APARTMENT HOUSE CUSTOMERS

While there are all kinds of variations in conditions under which different classes of customers are served, the most significant distinction in New York, and in most cities, appears between the mass of apartment house users and consumers in single family houses. The small users, as a class, dwell mostly in apartment houses, while the larger users, as a class, dwell in single family houses. If all the costs relating to these classes are carefully analyzed, it will appear that the cost per customer is much less for the apartment house consumers than for the single family house consumers. This applies not only to ordinary service costs but particularly to fixed costs; less, generally, per customer for the small users, and more for the large consumers.

If, therefore, a separate service charge is to be established in the rate structure, there should equitably be a distinct difference in the amount for the two classes of conditions, and there should also be variations for intermediary circumstances. But the fixing of different service charges for different conditions leads to complication of rate structure and would probably not be practicable. Hence, to offset the conditions of lower customer costs and fixed costs for customer for the small users in apartments, as against the higher per capita costs for the larger users in the single family houses, the flat rate automatically provides a balancing of the obverse cost factors. While it would overburden the small apartment house customers with some costs, it would undercharge them as to others; and it would affect obversely the large single family house users. There is, in our judgment, no single and simple form of rate which, in a large territory, meets all-around more equitably the wide variations in service conditions. There is, however, justification in coupling the flat rate with a moderate minimum bill, to protect the company against losses from very small users.

NOTES AND COMMENT ON MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER

Director, Virginia Bureau of Public Administration

International Institute of Administrative Sciences.—The fourth session of the *Institut Internationale des Sciences Administratives* is from many points of view one of the most interesting meetings of the organization, especially in respect to the conclusions which it produced. Its deliberations are particularly significant, coming as they do at a period in which the future of local self-government in Europe seems indeed perilous. The virtual collapse of English local finance under the strain of unemployment insurance costs, the *staatskommissar* agitation in Germany, and the progressive devitalization of local government in Italy and Spain under the militarists have created a grave concern among students of administration for the future of *selbstverwaltung*. From this angle, the conclusions of the Institute cannot be otherwise regarded than as a direct reprimand.

The Institute is composed of probably the most distinguished group of academicians and practicing specialists in the field of public administration at the present time. While primarily a European and Continental group, the United States was represented in its councils by Professor John A. Fairlie of the University of Illinois. Dr. Leonard D. White of the University of Chicago is a member of its executive organization.

A liberal translation of the "conclusions" of the Institute, which appeared in the *Revue Internationale des Sciences Administratives* for the quarter ending June, 1931, is given below. The Institute was divided for the expedition of its deliberations into six sessions or round tables, and its conclusions appear as they issued from these subordinate groups.

Section I. Metropolitanism

The Congress, without entering into a discussion of the acute political problems and refraining from critical opinions with reference to the legislation of the states represented in the first section:

(1) Observes an almost universal movement propelling the great cities of the world in the direction of a régime of democratic liberty and of limited autonomy through the intervention of the central authorities when the higher interests of the state demands.

(2) Recognizes for the large cities, and especially for the seats of government, the possibility of a special régime adapted to the peculiar circumstances of each country.

(3) Recognizes that primary among the organic problems of the government of great cities resulting from the exigencies of intense urbanization is that of the new conception of social assistance in its multiple forms, going far beyond the principles of individual responsibility and of social assistance as a matter for the family, for which a régime of sane financial administration is necessary in order adequately to meet the expenses necessary to this purpose.

Section II. Communal Powers and Intermediary Authorities

(1) Substantive municipal autonomy is recognized as a necessity of modern politics and administration, and for the purpose of avoiding the potentially abusive intervention of the superior authorities, central and regional, in municipal affairs it is advisable to entrust the preservation of the basic requisites of local self-government to the tribunals of justice consecrated to the interpretation and application of the public law.

(2) The state should take cognizance, in its general regulations concerning local government, of the individual historic attributes and the factors in the evolution of municipalities which compel a differentiation in characteristic traits, thus avoiding the imposition of a stamp of uniformity, so that municipalities may develop in their own manner.

(3) The complexity and diversity of modern local administration demand the creation of specialized administrative organs with specified jurisdiction and under the complete control of an appropriate authority.

(4) Experience with mixed enterprises, involving both public and private representation therein, demonstrates the practicability of organizing public enterprises on a regional basis, the direction of which may be reposed in joint bodies representing the state and the private organizations interested in the facilities afforded by these services—which services may be financed jointly by the state and the private corporation.

(5) The growing intensity and complication of the labor problem in present times indicates the need of local arbitral institutions composed of representatives elected without constraint by the organized bodies of workmen, of employers, and of consumers, who, on an equal footing and under the direction of representatives of the state, regulate the conditions of labor and rationalize the development of production. It is equally advisable to establish national institutions of a public character, having as their object the intensive study and attempted solution of economic and social problems in their national aspect, composed of representatives of the organized laboring and consuming bodies and of delegates of the state. These organizations should have as their special mission the coördination of all economic forces of the country and the harmonization of the activities of the subordinate arbitral bodies in their internal and external relations.

Section III. The State

(1) It is advisable to stimulate the development of responsible labor unions for public administrative employees, having for their objects the development of administrative technique, the improvement of the position of officials in service, and the utilization of measures of social action which this presumes—however, in admitting their right to petition and to communicate with the state, preserving ministerial initiative and parliamentary responsibility, the right of interested parties to recourse cannot be impaired.

(2) Although functional decentralization appears in principle to be a fundamental of administrative organization, it cannot be accepted in an absolute manner as a general rule. It is clearly recognized that the geographical extent of the state, the organic unity of control maintained, the intellectual culture of the citizenry, the economic strength of the country, its social structure, its education and its political practices, etc., have a direct and inescapable influence on good administrative organization.

(3) In consideration of the growing importance of the large consultative staffs of the central administrations, especially legislative commissions, it is necessary to assure to these staffs an adequate organization which should correspond to the functions with which the consultative group is charged. This organization must take account of differentiating conditions existing in each country.

(4) It is urged to create in each country a consultative staff especially charged with the study of questions concerning the organization of public administration and with the elaboration of projects of law related thereto.

Section IV. Personnel

(1) The preëminence of the public official at the present time as the custodian of very important constitutional and administrative rights demands the most assiduous effort on the part of the state in the recruitment and proper preparation of public functionaries.

(2) It is necessary to organize adequate preparatory institutions for officials, taking as models in this matter the states which have made this preparation the object of university study or have established schools the purpose of which is the preparation of men for political and official careers, and which provide for a special curriculum and diploma in the administrative sciences.

(3) Popular election, however satisfactory it may be as a means of elevating to public trust the representatives of the people, must be rejected as a method for the enlistment of true administrators, that is, "career" men in the public service, because their election will bind them to a mode of action exclusive of the interests of all but their political organizations.

(4) The direct election of administrative officials *on the basis of their political affiliations* is a system detestable to proper recruitment, appropriate only to backward countries or to exceptional governments.

(5) Before beginning specialized administrative studies it is urged that the candidate be required to have frequented a secondary school or a university, according to the importance of the post sought, and to have sustained a psychological examination, after which studies in the special administrative schools should be pursued according to the degree of academic training required for the post for which he is preparing. These special administrative schools should be integral parts of universities except in cases

where they are sufficiently well established to permit their independent functioning.

(6) Upon the completion of these specialized studies it is advisable that candidates be selected by process of competitive examination of a practical character, and that accepted applicants be accorded probationary tenure in order to secure an adequate test of their abilities.

(7) Advancement in the service should also be upon a competitive basis.

(8) Continuation courses should be established for the improvement of officers in the service.

(9) An absolute sense of moral responsibility in addition to intelligence, diligence, and competence is requisite for an acceptable functionary.

Section V. Documentation

(1) Public administrative authorities are encouraged on their own initiative to experiment, upon the basis of the decimal classification of the *Institut de Bibliographie* of Brussels with the systematic organization of administrative documents, adapting the general principles of this system of classification to their own particular needs.

(2) A permanent commission of administrative documentation composed of delegates from the governments or from special organizations of all countries should be established by the International Institute of Administrative Sciences, and to this commission should be entrusted the duty of continuously studying questions of documentation and of conducting negotiations relative to coöperation in the matter of organizing administrative documents.

(3) This permanent commission should also be charged with all duties relating to the development of the International Administrative Museum, with the drafting of its statutes and with the study of the possibilities of securing administrative documentation in conjunction with the secretariat of the League of Nations. . . .

(4) In connection with this commission and with the Museum, an International Institute for research and experimentation in the methods of administrative documentation should be established and should be especially charged with the duty of setting up the requirements for model bureaus of administrative documentation adapted to the needs of small, medium and large administrative organizations.

(5) The principles and methods of administrative documentation should be introduced in all the phases of instruction in administrative affairs.

(6) In order to provide the public administrative organizations and the administrative scientists with the means of documentation certain tools are requisite, such as:

a. An International Review.
b. An International Encyclopaedia published in volumes.
c. A Universal Atlas of Administration.
d. An International Manual of Administrative Documentation Including Methods and Classifications.
e. An International Bibliography of Administrative Matters (titles and résumés).
f. A Bulletin of Comparative Administrative Legislation.
g. An International Year Book containing an account of progress during the year and including reference to the administrative organisms, to their acts, and to legislation.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY RUSSELL FORBES

Secretary

Recent Reports of Research Agencies.—The following reports have been received at the central library of the Association since June 1, 1931:

California Taxpayers' Association:
- *Report on Methods Used in Reducing the Budget of Glendale.*
- *Report on the Nursing Department, Pasadena Hospital.*

Chattanooga Chamber of Commerce, Bureau of Government:
- *A Proposed Amendment to City Charter, Centralized City Purchasing.*
- *The Reorganization of the City Pension System.*
- *Proposed Sewer Bond Act.*
- *Proposed Charter Amendments.*

Cincinnati Bureau of Governmental Research:
- *Procedure for the Billing, Collection and Settlement of Taxes for Hamilton County, Ohio.*
- *Proposed Ordinance to Establish a Retirement System for the Employees of the City of Cincinnati.*
- *Report on a Proposed Retirement Plan for Employees of the City of Cincinnati.*

Taxpayers' Research League of Delaware:
- *Greater Delaware, a Review of Past Activities and a Statement of Program.*

Detroit Bureau of Governmental Research:
- *The Growth of City Government.*

League of Kansas Municipalities:
- *Outline of Instruction—Police Training School, Wichita, Kansas.*

League of Minnesota Municipalities:
- *Grading Municipalities to Determine Fire Insurance Rates.*
- *Municipal Accomplishments 1930. Special Programs for 1931.*

Thomas Skelton Harrison Foundation, Philadelphia:
- *The Magistrates Courts of Philadelphia.*
- *Statistical Department of the Municipal Court of Philadelphia.*

Rochester Bureau of Municipal Research, Inc.:
- *Acquisition of Real Estate for Public Improvements in the City of Rochester.*

Municipal Reference Bureau, League of Virginia Municipalities:
- *License Taxes on Hawkers, Peddlers and Itinerant Merchants in Virginia Municipalities.*
- *License Taxes on Abattoirs and Butchers in Virginia Municipalities.*
- *License Taxes on Amusements in Virginia Municipalities.*

Bureau of Government Research, University of West Virginia:
- *Codify Your Local Ordinances.*

League of Wisconsin Municipalities:
- *State Control of Public Utilities.*

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Nominating Committee Provided by Change in Constitution.—The recent referendum of the membership, involving a change in the first paragraph of article five of the Constitution, resulted in a vote of seventy-six in favor of the change and six in opposition. By the result of this referendum, the executive committee is authorized to appoint three members as the nominating committee. This nominating committee will nominate twelve active members as candidates for the executive committee. From this list of twelve, the active members will elect five by proportional representation to serve as an executive committee for the next year.

As the first committee on nominations under the changed constitution, the executive committee has appointed the following: William C. Beyer, Philadelphia Bureau of Municipal Research, *chairman;* Paul V. Betters, The Brookings Institution; and Orin F. Nolting, the International City Managers' Association. The report of the committee will be announced in September.

*

California Taxpayers' Association.—One of the chief accomplishments of the 1931 session of the California state legislature was the passage of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 which was sponsored by the Association and other civic organizations.

The new law is designed to work in conjunction with existing special improvement laws and establishes a procedure which must be followed and certain limitations which may not be exceeded. The act provides for the investigation of each proposed project before it is started in order that full information regarding its practicability and probable cost may be made available to the taxpayers. Provision is made for the effective notification of property owners as to the details of the proposed improvement and its estimated cost. A positive limitation is established on the special assessment burden which may be imposed. The burden for any one assessment may not exceed 50 per cent of the true value of any parcel of land assessed and, in addition, the total of all special assessments on all the land in the proposed district may not exceed 50 per cent of the total true value of the district. Probably the most important provision of the act is the absolute power of protest which it restores to the people. Any project may be halted for one year by a majority protest of the property owners involved.

Much of the protection offered by this remedial legislation is null without definite action by the property owners. The act allows the city council or county board of supervisors, if they find after certain study that the cost of the improvement will not exceed the limitations provided, to send out a notice of the proposed assessment, attached to this notice is a return post-card on which the property owner may "demand" or "not demand" the use of this law. If the owners of at least 15 per cent of the area of the district do not demand the use of the act, the legislative body is "at full liberty to proceed" with the improvement and to disregard the provisions of the new law, except the provision for an effective majority protest.

The Special Assessment Investigation, Limitation and Majority Protest Act of 1931 does not apply to flood control, irrigation, reclamation, sanitary, sanitation or other districts which constitute public corporations, nor does it apply to public improvements which are financed through bond issues approved by the people at elections. It only applies to improvements which are financed through special assessments.

It is believed that the proper administration of this act will not retard a safe and healthy growth of the state, but will make for a balanced progress which is within the ability of the taxpayers to support.

The Survey of the Pasadena City Schools which has been in preparation for over a year, is about to come from the press. The general objectives of this survey have been a review of the services and functions performed by the schools of Pasadena; an analysis, evaluation and comparison of each of these activities with recognized standards; and recommendations for improvement. The survey found that school expenditures in Pasadena are relatively high in comparison with other communities, but that the pupils are receiving a more than usually rich curriculum.

The survey of the schools of Fresno County is now being published and will be available in the near future. It indicates that consolidation of school districts offers one of the more effective methods of reducing educational costs.

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The Thomas Skelton Harrison Foundation.—A report by Spencer Ervin, Esq., of the Philadelphia Bar, on *The Magistrates' Courts of Philadelphia*, has just been published. It is the result of a number of years of study financed by the Harrison Foundation. It contains chapters on the history of the Philadelphia magistrates, who are Philadelphia's justices of the peace, their functions, and their place in the scheme of justice. After this preliminary matter there is a chapter picturing the courts in operation, showing a large number of deficiencies among which are political influence, late and faulty returns, lack of a system of reporting, bail frauds and irregularities, justice not according to law, lack of dignity on the bench, and intimidation and corruption.

In the author's diagnosis of the situation, he finds the magistrates are not qualified, largely because of their lack of legal training, that the court machinery, of which they are a part, is defective, and that the environment in which they work is unwholesome. He recommends the abolition of the magistrates' courts and the assumption of their functions by the Philadelphia Municipal Court. Mr. Ervin feels that one result of this, aside from simplifying the judicial structure by the elimination of 28 independent tribunals, would be to bring within the influence of judicial tradition and bar opinion those who perform the functions of justices of the peace.

The Foundation has also published a report by the Bureau of Municipal Research on the statistical department of the municipal court of Philadelphia. This is the ninth published report growing out of the Bureau's survey of the municipal court. Dr. Kate Holladay Claghorn, of the faculty of the New York School of Social Work, made the study and is the author of the report.

The Philadelphia municipal court is noteworthy among courts for recognizing the importance of court statistics, and for devoting much time and effort, as a special part of its reports, to their collection and distribution. A trained statistician is in charge of the work and mechanical tabulation is used in preparing the statistical products.

Dr. Claghorn, in her report, lists the statistical file, special reports, and an annual report as the statistical products of the court, and sets up standards for each. As the most important product of the Philadelphia court's statistical department is the annual report, Dr. Claghorn's study dealt chiefly with it. There is a full analysis of the method of gathering, preparing, and presenting the statistics in the annual report with detailed comments and recommendations.

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Taxpayers' Association of New Mexico.—The staff of the New Mexico Taxpayers' Association is at present occupied in assisting the state comptroller in sending out the approved budgets to county and municipal authorities. These budgets have been recently approved by the state tax commission and at the present time, with the assistance of members of the staff of the Taxpayers' Association, the tax rates are being determined for all units of governments.

The director of the Association, Rupert F. Asplund, has completed the work of reviewing and analyzing the budgets of the various state institutions and departments for the governor. During the latter part of the year the Association's efforts will be devoted to a survey of the various state institutions, with a view to submitting information desired by the governor as to possible economies in administration.

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Schenectady Bureau of Municipal Research.—An area of more than five hundred acres within the city is not served by a public sewer system, and plans for remedying this were under way. The land is still comparatively undeveloped, especially half of it. The necessary engineering and construction work would include trunk sanitary sewers, storm sewers, and pumps to raise the sewage to the city disposal plant. The sewer system for the more developed half should obviously be built, but the Bureau suggests, without formally recommending, that the other part might be removed from the sewerage problem if it were purchased by the city for a public park or golf course. This plan would cost about 30 per cent of that of the new sewerage system, would provide the city with a park in the section which first meets the visitor from the railroad, and would raise surrounding land values so that the more developed area might be better able to meet the sewer assessments. A novel way of cutting sewer costs! The Bureau project is being studied by the council.

Thirty cities similar to Schenectady in size and industrial status are being compared for departmental cost of operation. This work is being done by Dorothy Good who recently joined the staff of the Schenectady Bureau of Municipal Research.

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Stamford Taxpayers' Association.—The Association is partly responsible for the decision of the new administration to cancel the plans of last years council for two new incinerator units. It is expected that under more careful operation, the present plant will be adequate. Other work of the Taxpayers' Association has included studies of the care of the poor, comparative tax rates, comparative costs of types of pavement. The legislature enacted the law proposed by the Association for the reorganization of assessment methods.

The proposed council-manager charter has been completed and descriptive material prepared for popular distribution. Periodical releases of material on the subject are made through large posters placed in store windows. In the hope that this material will have the desired effect, a measure to permit a referendum was submitted to the legislature and passed by it.

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Institute for Government Research, Washington, D. C.—For the second successive year the publication work of the Institute for Government Research has been comparatively restricted due to the fact that so many members of its staff have been engaged upon special studies or work for outside organizations. However, two recent service monographs have been published as follows: *United States Shipping Board*, by Darrell

H. Smith and Paul V. Betters; and the *Personnel Classification Board,* by Paul V. Betters.

Lawrence F. Schmeckebier has been devoting his time to the "Cost of Criminal Justice Studies" in connection with the program of the Wickersham Commission. Lewis Meriam has only recently completed his work with the President's Committee on Employment and is now carrying on a number of special investigations having to do with the general problem of Indian administration. H. P. Seidemann, Herbert Wilson and Paul V. Betters conducted the field work for the survey of state and county government in North Carolina which was published last winter. This report served as the basis for the several reorganization measures and the new county government finance laws enacted by the North Carolina General Assembly this spring. Mr. Betters served as technical assistant to Governor O. Max Gardner of North Carolina for a short time on state reorganization proposals.

At the request of the Governor of New Hampshire, H. P. Seidemann and Taylor G. Addison are in New Hampshire installing a budgeting and accounting system for the state government. The Institute prepared a budgeting and accounting law which was passed by the New Hampshire legislature this spring.

A number of the Institute's staff are now conducting field work for an administrative and taxation survey of Mississippi which was initiated June 1 at the request of the Research Commission of the State of Mississippi, created by the last legislature. A. C. Millspaugh, former Administrator-General of Finances in Persia, F. W. Powell, Herbert Wilson, and Paul V. Betters are in the field at the present time. Dr. Benjamin P. Whitaker of Yale University is assisting the Institute on this particular study. It is expected that the report will be submitted in time for consideration by the legislature when it convenes in January.

Dr. Lloyd M. Short of the University of Missouri has been in residence at the Institute the past year, bringing to completion a book on the Bureau of Agricultural Economics. Milton Conover of Yale University is also at the Institute devoting his time to the preparation of a volume on the Extension Service of the Department of Agriculture. Both F. F. Blachly and Miriam E. Oatman-Blachly are in France making final revisions on a book dealing with the government and administration of France. This will be a companion volume to their *Government and Administration of Germany* published by the Institute in 1928.

NOTES AND EVENTS

EDITED BY H. W. DODDS

Department Editor Assumes New Post.—On July 1, Rowland A. Egger, editor of the department of Municipal Activities Abroad, assumed his new duties as director of the Bureau of Public Administration at the University of Virginia. The new Bureau will work in coöperation with the League of Municipalities upon research problems affecting municipalities of the state. For the past year Mr. Egger has been serving as a staff member of the New Jersey Commission for the Investigation of County and Municipal Taxation and Expenditures.

⁂

L. D. White Appointed to Chicago Civil Service Commission.—One of the early acts of Mayor Cermak of Chicago was the appointment of a new municipal civil service commission headed by Richard J. Collins, a business man and a former member of the commission. The other two members are Professor Leonard D. White of the University of Chicago, and Joseph D. Geary. Dr. White is a nationally known authority on civil service law and personnel administration. In the words of the National Civil Service Reform League, it would be difficult to select a better prepared or more competent person for appointment to this important body in which lies the hope of Chicago for a resurrected public service.

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The Research Commission of the State of Mississippi, appointed at the last session of the legislature, has engaged the Brookings Institution of Washington to make an administrative and financial survey of the entire state government. Financial administration and revenue and tax systems will receive special emphasis.

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New Jersey Municipalities Appears in New Form.—With the July issue, *New Jersey Municipalities* leaps from a four-page pamphlet to a full-size monthly magazine and continues in its new dress as the organ of the New Jersey State League of Municipalities. For the time being it will confine itself chiefly to municipal problems, but expects gradually to expand into the field of state and county government. The first number presents an imposing array of leading articles from the pens of Senator Arthur N. Pierson, Assemblyman Russell S. Wise, Dr. H. L. Lutz, Lieut. John E. Murnane, H. P. Croft and C. E. F. Hetrickt. Spaulding Frazer, New Jersey's leading authority on the law of municipal corporations, conducts a department headed Legal Notes and Comment. Russell Van Nest Black is in charge of the Civic Planning Department. Sedley H. Phinney, secretary of the League, is editor, and Wylie Kilpatrick managing editor.

The July number is of a high order and marks an important addition to the growing list of magazines published by State Leagues of Municipalities.

⁂

New State Purchasing Department Will Save $400,000 in First Four Months.—The new state purchasing department of North Carolina, which began operations on July first, is off to a flying start. Its first major purchase was a contract for a year's supply of gasoline for all the state departments and institutions. Bids were asked on the state's requirements for a year, estimated at 10,000,000 gallons. The contracts were awarded to the Texas Company and three independent companies each of whom is given the contract for furnishing gasoline in certain areas of the state. The contracts are at prices averaging 6¼ cents below the prevailing tank car price, 5¼ cents below the tank wagon price and 3 cents below the prevailing service station price. This one contract will, it is estimated, save the state at least $150,000 this year.

The state purchasing agent has also entered into contracts for the state's requirements in other staple commodities. The state uses more than 18,000 pairs of shoes per year, 1,500 automobile storage batteries, 15,000 feet of brake lining and other articles in correspondingly large quantities. If the contract price for these commodities compares with the savings on gasoline, the guarantee of Governor Gardner that the state purchasing system would save $400,000 per year will prove to be entirely too conservative. Present indications are that the state purchasing office will save this amount in the first three months of this operation.

As director of the division of purchase and contract, Governor Gardner appointed A. S. Brower, formerly a purchasing agent and comptroller for one of the educational institutions. Mr. Brower is organizing his department along sectional lines with a buyer in charge of purchases for the state highway, another for the institutions, a third for the schools and a fourth for printing. The rules and regulations already set up and the memorandum to using agencies indicate that the department will prove to be a real service institution and a most valuable branch of the state government.

Russell Forbes.

* * *

Kansas City's Improvement Program Under Way.—Following the voting on May 26 of a program of $39,950,000 of city and county bonds, the Citizens' Advisory Committee, appointed in advance of the election, has met and formally set forth its purposes and plans for meeting its obligations to the public in supervising the expenditure of bond funds.

First, the committee will assume general supervision over the expenditure of all the bond money, the dates of issuance and the maturity of bonds. It will review the plans and specifications for the different projects, check all contracts, and keep a record of all expenditures.

Second, the committee regards it as a specific duty to regularly report its findings to the public.

Third, the technical study of architects' and engineers' plans and specifications.

Fourth, the inspection of the work as it progresses.

The committee announced the intention of employing such expert services as are necessary to keep it currently informed of the progress of carrying out the ten-year program. The committee has made it clear that it regards its function as purely advisory, but that it proposes to use its limited authority to the fullest extent.

Conrad H. Mann, who served as general chairman of the civic improvement committee, which developed the ten-year program, has been selected as chairman of the advisory committee.

The program calls for the issuance of not more than one-tenth of the $32,000,000 of city bonds in any one year. The first project to be undertaken is a new municipal auditorium, for which $4,500,000 of bonds has been authorized. The council has authorized the condemnation of the block of ground immediately south of the present convention hall for this purpose, and the work of preparing plans and letting contracts for this building will proceed with all possible haste. Contracts have been let for $791,212 of the $3,500,000 road program for which county bonds were authorized.

Ray W. Wilson.

* * *

The Tax Problem in Michigan.—The Michigan legislative session of 1931 considered at great length the problem of delinquent taxes and of bonded indebtedness. The 1930 annual report of the auditor-general showed state and local taxes for 1929 returned delinquent to the extent of $36,352,835.83. In other words, the amount of 1929 state and local taxes returned delinquent was more than the general 1929 levy of the state which totaled $29,500,000. Tax delinquency in Michigan has been due not only to economic conditions but also to the rather lenient tax delinquency penalties.

Furthermore, the 1930 annual report of W. T. Manning, head of the bond division of the state treasurer's office, showed that Michigan's governmental subdivisions had a total bonded indebtedness of $618,208,053 as of June 30, 1930. This figure did not include the state's own bonds which totaled $82,250,000. Neither did it include covert road and drain district bonds which were unreported. Of the total bonded indebtedness of local units, Wayne County and its subdivisions carried $407,403,129. Very naturally, the state legislature of 1931 debated numerous proposals to reduce tax delinquency and to prevent any rapid increase in bonded indebtedness.

Two pragmatic measures were passed to deal with the problem of tax delinquency. Debt holidays have been popular this year and the Michigan legislature was no exception. The Miller-McBride bill which became Public Act No. 72 lifted the penalties on delinquent 1929 and 1930 taxes. It provided specifically that: "Any nineteen hundred twenty-nine and nineteen hundred thirty state, country, township, and school district taxes, general and special, which are unpaid at the time this act goes into effect, may be paid between the effective date hereof and July first, nineteen hundred thirty-one, without penalties, fees and interest charges." The act took immediate effect. This measure was looked upon as the minimum of emergency relief which might be extended without encouraging additional delinquency.

Public Act No. 26 of the 1931 legislative session is also in point. This stipulated that governmental units might borrow in anticipation of the collection of delinquent taxes. Section 3 provided that "Any such governmental unit [county, township, city, village or school district] may borrow money in anticipation of the collection of delinquent taxes for any preceding fiscal year. No such loan against the delinquent taxes of any such preceding fiscal year shall exceed sixty per cent of such taxes. . . ." This was regarded as a safe margin inasmuch as past experience in the state had shown that 90 per cent of delinquent taxes were ultimately collected. The bill should be regarded not as an open invitation to further bonding as some have suggested, but as the fixing of a safe legal limit to borrowing which was justifiable under existing conditions in certain cities. To date the act has not been abused.

MODIFIED INDIANA PLAN FAILS

The members of the legislature were not satisfied with mere emergency legislation. The feeling prevailed that some constructive measures should be evolved to prevent a recurrence of the existing situation. In the forefront of the suggestions was the Culver bill, a modified form of the Indiana plan. Under its terms the power to review local budgets and bond issues upon local petition was to rest with the state tax commission. The Culver bill failed of passage in the house by the close margin of 43 to 46. Then Governor Brucker urged its adoption. The house reconsidered and passed the measure. In the struggle of contending forces the bill had, however, been amended until it suffered from the process. No municipality was to be subject to its provisions without a favorable local referendum. Regardless, the senate put the measure to rest with only 13 affirmative votes, whereas 17 were needed for passage. The Michigan Municipal League had insisted throughout that the measure was contrary to the spirit of municipal home rule in the state, that it would deaden the interest of the average citizen in local self-government. In part, the defeat of the Culver bill was a victory for that point of view.

Senator Stevens' bill for a survey of local rural government in the state was more kindly received. This bill became Public Act No. 156. It provides for the creation of a state commission to study county, township, and school district government. Inasmuch as the House passed this measure unanimously, they tacitly admitted that whether or not there was something rotten in the state of local rural government, it needed a survey. Public Act. No. 156 is a good omen for the future. Ultimately, it should have results much further reaching than the pragmatic acts to deal with tax delinquency. The measure calls for a commission of five appointed by the governor. Section 2 provides that: "Said commission shall select certain typical counties, townships and school districts and shall make a detailed study of the present cost of maintaining the same and shall submit a detailed statement of the probable cost of the maintenance of the same units under any recommended changes."

Local rural government in Michigan is now operating under a crushing constitutional burden. The state constitution requires cumbersome county boards made up of representatives from townships and cities. The chief administrative officials are all elective by constitutional mandate as well. The rural areas are struggling to maintain township governments. Thousands of small rural school districts dot the state. The intent of section 2 becomes clear in the face of the existing situation. The commission has a wide field of possible recommendations; county home rule, the county manager system, elimination of the township, creation of county school units and what not. The act grants the commission and its authorized representatives authority to examine the files and records of any county, township or school district. Members of the commission are to serve without compensation other than actual and necessary traveling and other expenses. They may employ assistants and fix the compensation therefor. Only five thousand dollars was appropriated for the work of the commission.

The practical measures for the relief of tax delinquency produced much argument both pro and con. The movement for the Indian plan created one of the most heated debates of the session. The move for a state commission to survey local rural government met with more general approval. At least, the legislature has admitted that something more than tinkering with the existing mechanism of county, township and school district government is needed in Michigan.

Arthur W. Bromage.

THEORY AND PRACTICE IN BUILDING LINES UNDER EMINENT DOMAIN

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THEORY AND PRACTICE IN BUILDING LINES UNDER EMINENT DOMAIN

For years it has been quite the custom to refer to the establishment of building lines[1] as a sort of panacea for narrow streets. But what, in actual fact, has been the experience of different communities with building lines? To what extent have such lines been established? Has any consistent policy been pursued in their establishment? Once established have they been permanently maintained? How are existing and prospective building lines harmonized with the zoning provisions relative to front yards? Answers to such questions should throw considerable light upon the importance and dependability of building lines in any major thoroughfare program.

Building lines have been established here and there in a more or less desultory manner by cities all the way from Massachusetts to Texas, and from Virginia to Illinois. But the experience of these numerous cities is practically a sealed book. There is almost no literature at all upon the subject.

Under these circumstances, it was thought that a brief survey of the subject in a state like Connecticut, with numerous cities of long and varied experience with building lines, would prove of distinct interest and possibly of some benefit.

The authority for the establishment of building lines in Connecticut cities is usually found in the local charter. As every city charter is a matter of special legislation, the provision relative to the establishment of building lines varies from city to city. For towns the authority of building lines is, as a rule, found either in the general or special town plan act. But except in the case of towns, the planning commission is not identified with the establishment of building lines. This fact has been and is a source of real weakness; the planning commission should be the most aggressive and constructive agency in the city administration concerned with the establishment of building lines; it should by no means be divorced from their consideration. Certainly, the initiative in laying down building lines should come from the planning commission. Otherwise, how can they be properly coördinated with the plan of the community?

The charter in some Connecticut cities limits the maximum setback distance of building lines. In Bristol, for instance, the maximum limit is 20 feet. In Bridgeport building lines could, until a few years ago, be established no more than 12 feet back of the property line. This distance has, however, recently been changed to 25 feet. Maximum limits of this character, it is felt, are a mistake, since in many instances they prevent the establishment of building lines adequate to meet local conditions.

ESTABLISHMENT OF BUILDING LINES IN WATERBURY

A typical city may be taken to illustrate the general procedure in the establishment of building lines. Waterbury will probably serve this purpose as well as any other city. In Waterbury the board of aldermen has the power to establish building lines. But no building lines may be established unless all the damages awarded to the owners of land affected by the establishment of the line can be balanced by benefits assessed upon the property situated on the particular street. Wherever the board of aldermen establishes a building line, it refers the matter to the bureau of assessment, which ascertains the benefits and damages to the several parties affected, and then makes a report of its findings back to the board of aldermen. The board of aldermen then has the power to establish the building line and to assess against each owner the sum which he pays in the way of benefits.

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[1] Building lines as used in this paper involve lines established under eminent domain; not front yards or setbacks laid down in zoning ordinances, nor building lines contained in covenants running with the land.

The assessment of benefits and damages, as in Waterbury, is customary among all municipalities in Connecticut. Whenever new streets are laid out or the lines of existing streets are changed, building lines are established by the board of aldermen. Until such a building line has been established, it is unlawful for any person to erect or place a building on a street. After establishment of the line, it is unlawful for any person to place any building or structure nearer the street than the established line, but verandas, porches, balconies, cornices and other similar projections may be established 8 feet beyond the building line, provided they do not project beyond the street line.

Numerous building lines have, under this authority, from time to time during many years past been established on different streets in Waterbury. Some of these lines are as far back as 30 feet from the street line. But despite the long time that building lines have been possible in Waterbury there has been no consistent policy governing their establishment. On some blocks they have been established; on other blocks they have not. Often when they have been established, the distance from the street line varies from block to block upon the same street.

UNIVERSALITY OF BUILDING LINES IN HARTFORD

In few cities have building lines been more uniformly established on all streets than in Hartford. In some cities in Connecticut building lines are, if not altogether unknown, practically unknown; in other cities, building lines are quite common, being applied to 10, 20, 30 per cent of the street mileage. But in Hartford, outside of the downtown district, practically every street accepted by the city has a building line varying in depth all the way from 5 or 10 feet up to 50 feet. In some instances the building lines have been supplemented by veranda lines. Where this has been done the veranda line determines the distance which porches and verandas may project beyond the building line. Most of the building lines that have been established vary in depth from 15 to 25 feet, although deeper building lines are far from uncommon. Indeed, on such important streets as Farmington Avenue, Asylum Street, Washington Street and Wethersfield Avenue, there are many blocks with 50-foot building lines. At the same time, however, on other streets, one will occasionally find one- and two-foot building lines.

The salvation of the Hartford thoroughfare plan lies in the building lines established in past years. Streets in Hartford are in themselves no wider than those of most cities, 50- and 60-foot streets being the predominant widths. Many of the most important thoroughfares are no wider than this. But these street widths are supplemented in practically every case by building lines, so that the buildings on the two opposite sides of the street are frequently twice or even thrice as far apart as the street is wide. This fact will, of course, enable the city to increase streets to an effective width without damaging buildings.

The importance of building lines to the city can hardly be over-estimated. They increase the light, air and ventilation about buildings; they make the maintenance of attractive lawns and plantings possible; they make for greater privacy; in every way they are a distinct contribution to the attractiveness of the city. Because of the almost universal establishment of building lines on all streets in Hartford, the zoning ordinance of the city makes no mention of front yards or setbacks.

SHORTCOMINGS IN POLICY RELATIVE TO BUILDING LINES

As cities in Connecticut are so far advanced in the establishment of building lines, it may seem hypercritical to point out defects in their practice. Yet, it is only by studying these shortcomings that we can look forward to their improvement in the future.

First of all, there has been no comprehensive plan to guide either city or property owner in laying out building lines. The result is that they vary not only on different streets, but in different blocks on the same street. It is not at all uncommon to find building lines 10 feet deep in one block and in the immediately adjoining block a building line 15 or 25 feet deep. In other words, there has been no uniformity in the depth of the building line for any particular street, or for any particular class of streets.

In some cases this lack of plan has been carried to such an extent that the depth of the building line varies within the block itself. This is particularly true in the case of corner lots. Although the corner lot usually observes the building line of the street upon which it fronts, it is not at all rare for it to ignore, either in whole or in part, the building line on the side street. Although the occasion for this is found in the burden imposed by a wide building line upon corner property, it is nevertheless, in effect, to the extent of its shallower depth, an abrogation of the building line on the side street. In built-up sections, where the building line is established after the subdivision and sale of the land, this is a difficulty that cannot well be avoided. A uniform application of the building line of the side street to a corner lot would in such instances frequently render the lot entirely incapable of improvement. This objection, however, does not prevail in the case of new subdivisions where the width of the corner lot may readily be increased to compensate for the area made unavailable for development by the establishment of the boundary line on the side street, thus enabling the corner lot to be economically developed without diminishing the size of the building. The objection, however, to this practice on the part of developers is that it so increases the price of corner lots as to make them less readily saleable.

As a rule, building lines in Connecticut cities have been laid down prior to development or in front of the existing buildings on a street. Occasionally a building erected prior to the establishment of the line is found athwart the line, but such instances are rare. In other words, building lines, instead of being applied to correct past mistakes in development, have been utilized almost wholly to preserve existing conditions. A building violating the common front yard observed within the block has not in the establishment of the line been treated as a non-conforming building, as it should probably in most instances have been treated, but rather as the norm to which all future buildings should conform. In this respect building lines have occasionally fallen far short of their potential opportunity for service. In no case has a building line, to the writer's knowledge, been established in a Connecticut city, well back of the common house line on a built-up street, in order to effect a gradual widening of the street.

For years past city planners have bewailed the fact that in no state, with the possible exception of Pennsylvania —and even as to Pennsylvania there seems at present to be more than a fair amount of doubt—can streets legally be widened by forcing a gradual recession of building fronts. The fact that just as good, if not a better result can be obtained through the imposition of building lines located back of the present house lines has entirely escaped notice. Even at best the Pennsylvania method is exceedingly clumsy; its exercise involves an indefinite number of proceedings extending over a period of years; sometimes even generations. Not until the last remaining building is rebuilt are the widened street lines finally established, the final award for damages made and the total cost of the improvement reckoned.

The establishment of a building line constitutes, on the other hand, but a single proceeding, delay is reduced to a minimum, the officials initiating the improvement—and not their grandchildren—are apt to complete it; and the aggregate cost of the project, instead of being left high in the air is definitely assessed and paid for at once and for all.

Except for these considerations the actual realization of the completed line is practically the same under the two methods; in either case the buildings projecting beyond the line recede to the line as one by one they are rebuilt. The Pennsylvania method, which compels compliance with the line, although the actual taking is not effected until the recession of the building, is illegal in every state but one, and in that one, not of too robust legality. The establishment of building lines involving immediate taking but permitting encumbrances to project beyond the line until their reconstruction, but not more than a stipulated period of, say, 5, 10, 20 or 25 years, is according to the best legal minds, of undoubted constitutionality.

BUILDING LINES ON BUSINESS STREETS

The adoption of a comprehensive zoning ordinance has a direct bearing upon the future maintenance of building lines. Before we had zoning it was impossible to forecast the prospective development of the community—business might go anywhere. But with the establishment of residential, business and industrial districts, business must hereafter keep out of the residential zones. This means that business must locate in those sections set aside for commercial development.

Buildings devoted to residential purposes are unquestionably benefited by the establishment of building lines. But business buildings, to function properly, should be out on the street line. Stores and shops should be located as near to the pedestrians using the sidewalks as possible. To oblige such buildings to set back 50, 30 or 25 feet from the property line renders them that much less desirable for business purposes. Excessively wide forecourts, sometimes paved and sometimes not, detract not only from the appearance but from the usefulness of business property.

VACATION OF BUILDING LINES

As building lines are established under the power of eminent domain, it is obvious that the city has an easement in the area between the lines. No property owner may build beyond the line, unless the line is either modified or vacated.

In Connecticut cities there have been both modifications and vacations of these lines; indeed, isolated property owners are all the time besieging the council to lift building line restrictions. In some instances the council heeds the applications. In many instances building lines are, no doubt, vacated upon the very streets which are most in need of widening. If later on these streets are widened, the action taken by the council in vacating the line will redound to the disadvantage of the entire city, in that the municipality will have to pay increased building damages in widening the street.

In some cities reports are to the effect that the council is exceedingly reluctant to change building lines once they have been established; that nearly all applications for changes in lines fall by the way, and that it is exceedingly difficult to pursuade the council to grant any modification.

In other cities the council has been less strict. In certain of these communities, there is entirely too much disposition on the part of property owners as well as the council to view the vacation or modification of a building line as a private accommodation. The more important the thoroughfare, the more insistently has the council been urged to vacate the lines. This has been due mainly to the fact that property on the main streets is more in demand for business development than is the case on the minor streets. The result has often been a sacrifice of the very building lines that offered the greatest promise to the community for future widenings.

In many cases a much needed link in the thoroughfare plan can now be widened only through the demolition of buildings that have been erected within vacated building lines. In such cases, the city, if it is to condemn a building, will now have to pay a much greater amount in damages than if the building lines had been maintained. The maintenance of building lines is no less important than their establishment. For a long time, practice has made it apparent that cities should have some definite uniform policy relative to the treatment of petitions affecting the maintenance of building lines. Without a major thoroughfare plan it is, of course, almost impossible for a city to be sure whether granting the relief desired may not disastrously affect the traffic interests of the whole community.

BUILDING LINES ON MINOR STREETS

It may not be amiss to spend a moment in discussing the establishment of building lines upon those streets that are not and probably never will be included in the major thoroughfare plan—the minor streets of the community which are always likely to embrace from three-fourths to four-fifths of the street mileage of a city. In establishing building lines upon such streets or in accepting such streets in the future, or in passing upon minor streets in new land subdivisions, the council should insist that the building lines be established at least 30 feet back from the center line of the street. This would secure the erection of buildings on the two opposite sides of the street at least 60 feet apart. Had such a policy been followed in the past, it would be a comparatively simple matter today to secure necessary street space for present-day traffic requirements on the minor streets where the increasing density of development has imposed greater and greater burdens upon the street plan.

Forty and fifty-foot streets are seldom desirable even as minor streets. Such a narrow width makes very inadequate provision for necessary traffic circulation when with increasing density of population greater and greater burdens are thrown upon secondary streets. It may also be added that such a narrow width makes most inadequate provision for the additional light and air needed in the more central parts of cities, as a result of the increasing height of buildings. Wherever such a narrow width of street is utilized in subdivisions, there is a double reason for the establishment of reasonably adequate building lines. But the use of building lines should, of course, never condone the laying out of too narrow a street.

Every so often a city is petitioned to vacate the building lines on one of its narrow streets. In some cases, the vacation of these lines has, so far as the consequences were concerned, been little short of criminal. To safeguard against the worst abuses of such action it is suggested that the building lines on no minor street shall be diminished or vacated so as to make the distance between the lines on the two opposite sides of the street less than 60 feet.

TRADING BUILDING LINES FOR WIDE STREETS

With the adoption of a zoning ordinance and a major thoroughfare plan, the time seems to have come when a city is justified in reviewing its whole policy toward building lines. Having adopted zoning regulations and a plan for its major thoroughfares, it is for the first time in a position to consider the matter of modifying its building lines intelligently. It not only knows where its business development is to occur, it also knows the desirable width of its major thoroughfares. On those streets that are indicated upon the zoning map as business streets, it would therefore seem that the city might well adopt the policy of releasing from the building line restriction so much of the property as is back of the new proposed street line, in consideration of the property owner signing a waiver for damages on account of property now within the building line restriction and which it is desired to include within the widened street. In other words, wherever the distance between the building lines on the two opposite sides of the street in a business zone is greater than the proposed width of the street in the major thoroughfare plan, the city would vacate the excess depth of such building line when the property owner signed a formal release waiving damages for that portion of his property added to the width of the street.

Such a policy, although not followed in the past, would seem to be to the distinct advantage of both property owner and city. It would enable the owners of business property to build their business buildings on the line where they would be most useful for business purposes, that is, out to the line of the widened street, while at the same time it would give the city, without expense, the widened street.

In the past, strange to say, this does not seem to have been the practice in any city. Although these building lines have in every instance been established under the power of eminent domain and the owners have been assessed benefits and damages for their establishment, when the city has included either part or all of the area between building lines within a widened street, it has again gone through the formality of appraising and awarding damages to property owners. From all accounts, however, the procedure has in instances been something more than a mere formality, since property owners have received substantial damages for the widenings. If this practice is to be continued, it is quite obvious that it will have a direct bearing upon the amount of street widening that a city can carry out, since it will inflict a heavy burden upon the taxpayer.

So long as there is a bare possibility of the council vacating a building line without expense to adjoining property owners, it is altogether natural to expect them to take the attitude of refusing to permit the city to appropriate any part of their courtyards for street purposes without compensation. But if the city establishes as its policy that in no case will it on any major thoroughfare modify a building line where additional width is needed unless the property owner waives all damages for that portion of the forecourt included within the widened street, is it not altogether likely that the owner, in order to get the immediate use of such land as lies between the present building line and the new street line, will agree to waive such claims as he might have for damages on account of property taken for the widened street?

There are three general sets of conditions affecting a city's policy in its consideration of future amendments of building lines upon streets designated as major thoroughfares:

1. Where the distance between the building lines on the two opposite sides of the street is greater than the width of the widened street as proposed in the major thoroughfare plan;
2. Where the distance between the building lines on the two opposite sides of the street is identical with the width of the widened street, as proposed in the major thoroughfare plan; and
3. Where the width of the widened street as proposed in the major thoroughfare plan is greater than the distance between the building lines on the two opposite sides of the street.

Where the building lines added to the street width give a width in excess of that proposed for a street in the major thoroughfare plan, the city can well afford to wait. There is no occasion for hurry since, no matter when the street widening might be carried out, there will, as long as the building line is maintained, be no additional building damage. Not so, however, with the property owner. If he desires to utilize his property, he will, of course, wish to build his structure with reference to the permanent street line. If he holds back in signing the necessary waiver for the land included within the widened street, instead of hurting the city, he merely hurts himself. It is thought that if this policy is followed, some cities will be able to obtain miles of wider streets without formidable costs being saddled upon the public treasury.

When the distance between the building lines on the two opposite sides of the street is identical with the width of the widened street, as proposed in the major thoroughfare plan, property owners may object to signing waivers of damage, since action would not increase the effective area of their land available for improvement. But since the city would not vacate the restriction, the property owners would, in effect, be standing in the way of their own greatest interest, as postponement in the establishment of the permanent street line would only retard development along the entire street. While they procrastinated, the values that might develop on their property would redound to more far-sighted property owners on other streets who coöperated with the city in its street widening program.

Where the proposed width of the street is greater than the distance between building lines on two opposite sides of the street, the situation is somewhat different from the two preceding cases. In such instances there might or might not be buildings within the proposed lines, but in either event the city would desire the inclusion of land that is not now subject to building line restrictions within the widened street. Such taking of land would, in built-up areas, of course, in many instances disturb existing structures. In such cases the city should widen the street through the gradual recession of building fronts, obtained through the establishment of building lines.

If the building line easement taken were sufficiently broad in its scope to permit a city to convert a building line into a widened street line whenever, in the opinion of the council, such conversion were desirable, the expense and delay of a secondary condemnation proceeding would be spared the municipality. Not only the statutes of Connecticut but those of nearly every other state are in need of this amendment. So far as known, New York is the only city that enjoys this enviable legislative authority.

COÖRDINATING BUILDING LINES WITH THE ZONING ORDINANCE

Building lines should, in special cases, supplement the front yards required under the zoning ordinance. Naturally, there are limitations upon the depth of a front yard that may reasonably be required under zoning. A front yard 50 feet deep is probably as wide a front yard as the courts will normally sustain as reasonable under the police power. Yet, there are numerous instances in exclusive residence districts where a front yard of 100 feet is not only desirable, but indispensable, in order to protect the amenities of a street. Such protection, it seems, had better be extended to these localities, through the establishment of building lines. Then, too, there may be cases where the blanket front yards or setbacks required under the local zoning ordinance may, because of very exceptional circumstances in an occasional block, or on certain lots, work a distinct hardship upon property owners. To meet such conditions, the zoning ordinance may provide that if the council establishes, or, for that matter, has already established a building line upon a block, such block shall automatically be exempt from the front yard or setback provisions of the zoning ordinance. In ways like these, building lines can be made to complement and dovetail into the provisions of a zoning ordinance, so that a community may enjoy a maximum of protection with a minimum of inconvenience. The zoning ordinances of Waterbury, Bristol, Danbury, West Haven and Norwalk all contain provisions of this character.

Protection to the normal front yard today is more a problem of zoning than it is of building lines. Indeed, building lines, as a mere means of preventing encroachments on front yards in normal resident districts, may be considered obsolete; zoning operates far more efficiently in this respect than building lines. Although it is only twelve years since the first zoning ordinance in the United States to contain a general requirement as to front yards in residence zones was adopted—the Newark, New Jersey ordinance prepared by the writer—front yards and setback provisions are now common to almost all recent zoning ordinances. Such provisions are, indeed, so universal in zoning now that there is a real danger that the proper sphere and importance of building lines will, to a large extent, be lost sight of. In almost any average, medium-sized city, it can safely be said that it is practically impossible so to formulate the front yard and setback provisions in the zoning ordinance as to obviate all need for building lines. However satisfactory the front yard and setback provisions of a zoning ordinance may be, as such, they will, when reviewed in the light of the needs of the major thoroughfare plan, almost always leave much to be desired. It is here especially that building lines may always be expected to possess an undisputed field of usefulness.

But even if the front yards and setback provisions established under a zoning ordinance were adequate to meet every demand of the major thoroughfare plan, they would, nevertheless, not take the place of building lines. Front yards and setbacks leave the property affected still under the control of the private owner; their establishment has not involved what constitutes, in a legal sense, a "taking," and without an actual "taking," the property cannot, of course, be included either immediately or at some future time within street lines.

In the case of *Town of Windsor* v. *Whitney*, 111 Atlantic 354, decided 1920, the Supreme Court of Connecticut held that the mere filing of a map of a proposed street or building line by the planning authority did not, in a technical sense, constitute a taking of property; such map is merely a means of regulating uses of property, so that when it is subdivided and built upon, the streets and building lines will conform to an approved city plan. Far-reaching as the court's opinion was in this case, let it be recalled that the statute, the constitutionality of which it sustained, did not impose upon owners the burden of laying out a particular street or building line; the option of opening a street or designating a building line was still left with them, but they could not lay out streets or building lines on their own land where they chose or of the width they chose—both must be where designated and of the width designated by the municipality.

The Windsor case came before the court before any zoning ordinance had been adopted in the state. It moreover affected streets and building lines laid out in a new subdivision; it did not concern itself with building lines laid down in developed sections as an intermediate means to an ultimate street widening; building lines in new developments and in old neighborhoods are very often two separate and distinct things. No court, either within or outside the state of Connecticut, assuming it has upheld building lines or front yards as a proper exercise of the police power, has ever defined with any exactness the extent of their application.

Town of Windsor v. *Whitney* is the only case, so far as known, in which the establishment of building lines has been upheld as a proper exercise of the police power, although the highest courts of nearly a dozen states have upheld the constitutionality of front yards and setbacks as parts of zoning ordinances.

No matter how far the courts may go in approving the establishment of front yards or building lines as a reasonable application of the police power, it is believed that there are limits to what they will uphold as reasonable. Front yards, which promote the amenities of a district, which affect the properties of different owners in substantially the same manner and which leave the use and enjoyment of the property so restricted still in the hands of the owners will probably be sustained by most progressive courts, under the police power. But building lines designed, not to safeguard the amenities of particular properties but to enable the community to economize on future street widenings; building lines, which because of varying lot depths and a non-uniform orientation of lots affect different properties unequally, prohibiting in some instances the major portion of the lot and in other instances all of the lot from ever being built upon at all; building lines which have as their more or less immediate object the taking of part or all of a lot and placing it within a street—that such building lines will ever be sustained as a proper exercise of the police power is indeed unbelievable.

Here is a field which building lines established under the power of eminent domain may be expected to possess to the exclusion of those established under the police power.

CONCLUSIONS

Connecticut cities have, in general, probably had about as much, as long and as favorable experience with building lines as any in the entire country.

The lessons taught by this experience, extending over a period of three-quarters of a century, point to the following general conclusions:

1. The building line easement should be sufficiently broad in scope to permit at some later date, if needed, the inclusion of the land affected within the street lines themselves.
2. All building lines hereafter established should be established with reference to the requirements of the street widths laid down in the major thoroughfare plan.
3. No existing building line should hereafter be modified or vacated until after the municipality has formulated a major thoroughfare plan and then only in conformity with the requirements of such thoroughfare plan.
4. Buildings projecting beyond a proposed building line might, to reduce the cost of the establishment of the building line, be allowed to remain unmolested for a reasonable term of years up to a fixed limit, after which they should be required to observe the line.
5. Building lines as an intermediate means of ultimately obtaining wider streets should be limited in their application principally to streets already laid out; in new subdivisions, streets should generally be accorded their ultimate widths when the land is originally platted.
6. Only in exceptional instances should the protection of front yards as such be attempted through building lines; wherever at all practicable, the amenities of a residence district should be safeguarded through zoning.
7. Building lines and zoning regulations should complement and dovetail into one another to avoid unnecessary conflict.
8. Building lines should generally be financed through benefits assessed upon abutting property.
9. The initiative in establishing building lines should be taken by the planning commission, which, instead of waiting for petitions from property owners, should take the aggressive in having adequate lines laid down on all streets incorporated in the major thoroughfare plan.

Although it is many years since building lines were first established in the United States, we still know very little about them. Their use has generally been slipshod and haphazard.

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CONTENTS

EDITORIAL COMMENT . . . . . . *H. W. Dodds* 567
HEADLINES . . . . . . *Howard P. Jones* 571
HOW MAGISTRATES' COURTS DEFILE JUSTICE . . *Spencer Ervin* 573
WISCONSIN ASKS "HOW GOOD IS YOUR TOWN?" *Aubrey W. Williams* 577
DOES THE PROBST RATING SYSTEM RATE?
I. No . . . . . . *Leon Blog* 581
II. Yes . . . . . . *Fred Telford* 583
COUNTY-MUNICIPAL SEGREGATION PLAN FOR NEW JERSEY . . . . . . *Harley L. Lutz* 584
BRITISH MAYORS . . . . . . *Clinton Rogers Woodruff* . . . 588
REGIONALISM—A NEW APPROACH TO THE GOOD LIFE . . . . . . *Charles S. Ascher* 592
TRAINING SCHOOLS FOR MUNICIPAL OFFICIALS IN NEW YORK . . . . . . *Albert H. Hall* 596

DEPARTMENTS

I. Recent Books Reviewed 600
II. Judicial Decisions . . . . . . *Edited by C. W. Tooke* 604
III. Public Utilities . . . . . . *Edited by John Bauer* 610
IV. Municipal Activities Abroad . . . . . . *Edited by Rowland A. Egger* 614
V. Notes and Events . . . . . . *Edited by H. W. Dodds* 618

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THE LEAGUE'S BUSINESS

OUTLINE OF TENTATIVE PROGRAM OF NATIONAL CONFERENCE ON GOVERNMENT

STATLER HOTEL, BUFFALO, NEW YORK, NOVEMBER 9, 10 AND 11

Participating Organizations: American Legislators' Association, Governmental Research Association, National Association of Civic Secretaries, National Municipal League, and Proportional Representation League

Monday—November 9

A.M.
10:00 General Meeting: **"What's Wrong with our Courts and Police?"**
Speakers: Raymond Moley, Columbia University
Bruce Smith, National Institute of Public Administration (invited)

P.M.
12:30 Luncheon—Separate Groups
National Municipal League Business Meeting
2:30 Group Session
Governmental Research Association—**"Bureau Technique and Management"**
2:30 Committee Meetings (to be arranged)
6:30 Dinner Meetings—Separate groups

Tuesday—November 10

A.M.
10:00 Group Sessions
1. Governmental Research Association—**"Survey Methods"**
2. National Association of Civic Secretaries and National Municipal League—**"Non-Partisan Ballot"**

P.M.
12:30 Luncheon Sessions
1. Governmental Research Association—**"Reducing Governmental Costs"**
2. American Legislators' Association, National Association of Civic Secretaries and National Municipal League—**"Government Finances in Depression"**

2:30 Sightseeing Trip to Niagara Falls

Wednesday—November 11

A.M.
10:00 Group Sessions
1. Governmental Research Association—**"Problems of Administrative Organization"**
2. Governmental Research Association—**"Delinquent Tax Administration"**
3. American Legislators' Association, National Association of Civic Secretaries and National Municipal League—**"The Urban-Rural Conflict in Government"**
Speakers: Daniel E. Morgan, City Manager, Cleveland (invited)
C. E. Merriam, University of Chicago

P.M.
12:30 Luncheon Session—**"Corruption in City Government"**
Speakers: Lincoln Steffens
A. R. Hatton, Northwestern University
2:30 Group Sessions
1. Governmental Research Association—**"Technical Problems in Personnel Administration"**
2. Governmental Research Association—**"Progress in Measurement of Governmental Services"**
3. American Legislators' Association, National Association of Civic Secretaries and National Municipal League—**"County Government"**
Speakers: John M. Gaus, University of Wisconsin (invited)
Hugh Reid, State Senator of Virginia

6:30 Annual Banquet
Subject: **"How Far are Our Governments Going in Absorbing New Activities?"**

DON'T MISS THIS IMPORTANT MEETING. MARK YOUR CALENDAR NOW!

NATIONAL MUNICIPAL REVIEW

VOL. XX, NO. 10 OCTOBER, 1931 TOTAL NO. 184

EDITORIAL COMMENT

Detroit has been passing through a city manager flurry, involving a resolution by the city council to put the question of manager government upon the ballot for October 6 and later repeal and postponement for an indefinite period. For details see "Headlines."

*

In a conference with the Pasadena city council regarding the considerations which should govern in the selection of a manager, Professor W. B. Munro made an observation which may well be noted by other councils called upon to appoint a municipal administrator. Asked by one councilman (they are called city directors in Pasadena) if the new manager should not be an expert in retrenchment, Professor Munro predicted that the chief administrator who takes office at this time will have to meet problems of expansion, rather than retrenchment, during the greater part of his probable term. Prosperity is not more than two years, and perhaps only one year away, he added.

*

The report on police by the Wickersham Commission contains no disclosures to startle REVIEW readers. To them the faults therein displayed are familiar. The report has been attacked for minor errors. Perhaps it contains some, but its general arraignment of police organization and methods is undoubtedly correct and will not be disputed by any disinterested observer.

The defects of police administration so courageously presented, may be summarized as follows:

1. Insecure, short terms of service of the executive head and his subservience to political control.
2. Lack of competent, efficient and honest patrolmen and subordinate officers.
3. Lack of efficient communication systems within and between police departments.
4. Alliance between criminals and corrupt politicians.
5. Excessive duties imposed upon officers and patrolmen beyond capacity to perform.

The report, which is brief, is accompanied by a report to the commission entitled *Police Conditions in the United States*, by David G. Monroe and Earle W. Garrett of the University of Chicago, under the direction of August Vollmer.

*

Cleveland Politicians Restless Under Manager Plan For the fourth time since the adoption of the manager plan, the people of Cleveland will on November 3 vote upon its abolition. The proposal is the so-called Danaceau amendment providing for a mayor elected at large and a council of thirty members elected by wards. Two years ago a similar effort met defeat by the close majority of

3,004 votes. Other proposals to reject the manager plan were also negatived by the voters in 1927 and 1928. Whether the precedent thus established will be maintained in November it is still too early to predict.

Two years ago the Citizens' League of Cleveland published a careful study of the first five years of city manager government in Cleveland. It was such a fair interpretation that the REVIEW sought and obtained permission to reprint it as a supplement. In June the League published another survey bringing the earlier report up to date. It found that in the last two years there has been a definite improvement in the personnel and procedure of the city council and in its legislative product. The "woeful lack of much needed legislation" reported in the five years' statement no longer obtains. The mayor has assumed a more satisfactory and aggressive leadership, and by so doing has distinctly increased the importance of his office. His coöperation with the city manager is said to be generous. The League observes that the present manager has consistently recognized and adhered to the distinction between the functions of the council and of the manager, and that as a consequence a much healthier atmosphere exists at city hall in the relationship between the administrative and the legislative departments than in any time in the past twelve or fifteen years.

Since the five-year report was issued, marked improvement has taken place in the personnel of the civil service commission. Although the League states that the commission is entirely of one political complexion, it is slowly gaining in public confidence. Republicans are favored for appointments, the bipartisan understanding regarding appointments, which was commonly believed to exist in the former administration, being no longer observed.

Not all departments of the city government are commended and the department of public utilities receives special censure. Nevertheless improvement in most departments during the past two years is marked. Welfare work and health administration are said to be of a high quality. The police and fire divisions are termed efficient. The administration of the legal and financial departments is credited with being of an exceptionally high order.

On the whole, the Citizens' League believes Cleveland has been enjoying comparatively good government under the manager plan; particularly have the last two years shown improvement over the preceding five. Although the League's report is carefully guarded and an impartial attitude maintained throughout, it is difficult for an observer at this distance to understand why the voters should be interested in abandoning the manager plan. When present conditions in Chicago, Pittsburgh, New York, Philadelphia and elsewhere are remembered, Cleveland's municipal government shines by contrast.

*

Unique Function of Toledo Publicity and Efficiency Commission

Toledo boasts a Commission of Publicity and Efficiency, one of whose functions is the publication of the weekly *Toledo City Journal*, now well known to students of municipal government. Under section 57 of the city charter, it is held that publication of an ordinance in this journal is necessary to give it effect; but the commission has ruled that its duty to publish ordinances passed by the council is not mandatory and that it has the power to refuse publication if the ordinance is illegal and beyond the power of council to pass.

The question of the discretionary power of the commission arose recently in connection with an effort to give virtually free water service to all schools not operated for profit. The commission believed that this ordinance was not only harmful but illegal. It, therefore, refused to publish it and its action was sustained on the grounds that the ordinance was contrary to state law.

At least three similar cases had arisen earlier. The first one concerned an ordinance making a nominal appropriation for the purchase of the street railway system. It was refused publication by the commission, but the Supreme Court eventually decided that the grant of home rule powers to Ohio cities was sufficiently broad to give the municipality authority to purchase a street railway system and ordered the commission to publish it.

Later, on the ground of illegality, the commission refused to publish an ordinance authorizing a bond issue. Again the Supreme Court held with the council and ordered the commission to advertise the ordinance. Still later, an appropriation to build a mooring basin for winter storage of lake freighters was refused publication as being against public policy. In this instance pressure of public opinion supported the commission, and the mayor and council abandoned the project.

The commission does not claim that its approval is necessary to the validity of an ordinance otherwise legal; but it does claim the power to defeat the validation of an ordinance which is illegal, the question of legality being decided ultimately by the courts if the city council insists. Thus the commission does not constitute an upper house of the council but rather a taxpayers' sentry to guard the public against illegal action by its legislative officials.

*

Obsolete Local Governments—At Home and Abroad In this issue Dr. Lutz describes the municipal-county segregation plan for the abolition of the present overlapping and pyramiding of local governments in New Jersey. The theory is that no area should be called upon to support more than one layer of local government. Townships and other obsolete local districts would be absorbed by the county. Municipalities of reasonable size would be divorced from the county, which in turn would provide all the local government needed by the villages and rural sections.

While the plan calls for the transfer to the state of certain functions now performed by the counties, the net result would be the strengthening of the county as a local government. Once city-county segregation had been accomplished, future boundaries would be altered automatically. The mere filing of a subdivision plat would suffice to add a county sector to an adjacent municipality. Thus would be avoided the failures or delays to annex urban territory to cities, which if allowed to continue would soon antiquate the pattern.

Dr. Lutz was precluded by limits of space from elaborating the evidence which led the New Jersey Commission to advance its municipal-county segregation scheme, but the general nature of the waste and ineffectiveness of the present situation is well known to Review readers.

It is encouraging to know that the evil is not peculiarly American. Dr. Robson's penetrating book, *The Development of Local Government*,[1] demonstrates that our English cousins are confronted by the same problem. In England, declares the author, there is wide confusion in local government areas; the structure is obsolescent, new powers have been showered upon heads of a multitude of local authorities unfitted to exercise them; the allocation of functions between these authorities appears almost anarchical. County government, America's well-known dark continent, is backward in England also; the county boroughs are more alive and efficient. The problem of metropolitan areas is as pressing there as with us. Counties have the same reluctance towards alteration of boundaries in the face of expanding urban population; and inter-municipal coöperation has been as ineffective in England as in the United States.

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[1] *The Development of Local Government*. By William A. Robson. London: George Allen and Unwin, Ltd., 1931. 362 pp. This book is of undoubted importance to American as well as English readers. To Americans too great a proportion of English writings on local government have seemed to be merely description of structure or interpretation of legal principles. The tone is often surprisingly complacent. Dr. Robson's treatment is more realistic and modern.

Dr. Robson would reduce the existing confusion by adopting the principle of but one primary local government for any given area. In England this government would be the county borough for large urban aggregations and the administrative county for rural and smaller urban localities. Numerous existing units would be annihilated (note the similarity to the New Jersey municipal-county segregation plan). But, although based on the proposition that two sets of local authorities over the same area are an anachronism, Dr. Robson's final pattern is not so simple as that of Dr. Lutz. Local authorities, he believes, must frequently be grouped into combinations of counties and county boroughs for specific purposes. The groupings will differ as the purposes differ. The area proper for a land drainage scheme, for example, will probably not be a desirable unit for secondary education or electricity supply. For this reason a whole series of different combinations will be needed. They will supplant the present array of ad hoc authorities which Dr. Robson dislikes. They will be governed by the member county councils and county borough councils under a unified executive organ.

As it will be necessary to combine primary local units for certain comprehensive surveys, so it will doubtless be desirable to subdivide the larger counties for administrative purposes. This will be accomplished without disturbing the legislative authority of the county council. The administrative subdivisions will be under the management of district committees which will be composed largely of members of the county council.

Thus Dr. Robson considers that he has provided for all legitimate activities which concern more than one local unit and for possible individual needs of localities within such units.

The fundamental philosophy is the same as in the New Jersey recommendation described by Dr. Lutz. Both stand firmly on the proposition that one set of local officials is all that the voter can watch. Dr. Robson emphasizes the need for combinations of these governments for certain extensive projects, and Dr. Lutz concedes that in an area like North Jersey some overlying metropolitan government may be necessary, although personally he might prefer complete consolidation. The movement for one local government for any given area is gaining in the United States. It is interesting and significant that a similar school of thought has arisen in England.

His criticisms of present organization and practices are matched by a constructive program of reform.

HEADLINES

Abolition of the job of township collector in Illinois would have been accomplished by a bill which passed the legislature but was killed by gubernatorial veto. Rejoicing over the veto, the *Pleasant Plains Argus* warns that "we hicks will have to keep our eyes open and prepare for a repetition of this attempted steal two years hence." There are 46 township collectors in Sangamon county where the *Argus* is published. Selah.

* * *

A voluntary sales tax and luxury tax as a sort of perpetual tag day to raise funds for Chicago's unemployed is suggested by Mayor Cermak.

* * *

Chicago, the roaring playboy of the western world, has at last got down to business! Bankers, business men, politicians, labor—all for the moment are standing shoulder to shoulder to ward off financial catastrophe. A survey of the administrative organization of the city government is now being made by J. L. Jacobs, who estimates that at least ten million dollars a year can be saved Chicago by improvement in organization and methods.

* * *

All sorts of nostrums are being advocated in the effort to pull Chicago out of the financial mire. The latest is the suggestion that bonds, secured by tax anticipation warrants, be issued to pay school teachers. Borrowing twice on the same security is a fine idea but what will the banks say?

* * *

The largest single taxpayer of Hamtramck, Michigan, The Chrysler Corporation, has filed suit in the United States district court asking that the city be enjoined from collecting 1931 taxes on the ground that intentional under valuation of other taxable property and an overvaluation of Chrysler property was made for the purpose of requiring the automobile firm to bear an undue proportion of the public burden.

* * *

Taxes totaling $2,250,000 for 1931 have been paid by the Detroit Edison Company in advance to help the city out of its financial difficulties.

* * *

A home rule charter embodying the county manager plan is recommended for Santa Clara County, California, by the 1930 grand jury which has just submitted a 600-page report analyzing the county government and recommending thorough reorganization. The study was made by Professor E. A. Cottrell of Stanford University.

* * *

The narrow defeat suffered by Philadelphia advocates of the manager plan when the legislature last spring rejected their bill by a hair (or shall we say Vare?) has only stirred them to greater effort. Preparations are now underway to seek election of legislators who will support a manager bill.

Cleveland voters will go to the polls November 3 to indicate for the fourth time whether or not they wish to keep the city manager plan. Each previous election has resulted in endorsement of the plan. This time, voters, in an ugly mood because of business conditions, may take it out on the ballot. Little discrimination is required to appreciate that the form of government is not responsible. But the temper of people everywhere favors change, and the prospect of a bitter fight looms.

* * *

Small cities are turning to zoning to solve their problems of community growth. A survey by Norman L. Knauss of the division of building and housing of the bureau of standards of the U. S. department of commerce reveals that of 77 municipalities which adopted zoning ordinances for the first time last year, 70 had populations of less than 40,000.

* * *

It's been "on again, off again, gone again, Finnigan" with the city manager campaign in Detroit. First, petitions were circulated, and 30,000 signatures obtained. Next, the manager plan headquarters were burglarized and the petitions stolen. Third, the council approved putting the issue on the ballot early in October. Fourth, on protests of friends of the plan, who feared the time was too short for educational purposes, the council rescinded its action. Now it's status quo ante bellum.

* * *

Only one candidate of the group which backed the manager plan in New Rochelle, New York, was nominated for the council at the September primary. The plan will go into effect January 1, 1932.

* * *

Teaneck, New Jersey, taxpayers, determined to keep interest in their new manager government at an enthusiastic pitch, have launched a publication called *The Town Manager* which will tell citizens what the administration is doing.

* * *

Twelve cities have adopted the manager plan of government so far this year. They are: San Diego, California; Pensacola and St. Petersburg, Florida; Bangor, Brewer and Dexter, Maine; Binghamton, New York; Asheville, North Carolina; Belton and Jacksonville, Texas; Appalachia, Virginia; and San Juan, Porto Rico.

HOW MAGISTRATES' COURTS DEFILE JUSTICE

BY SPENCER ERVIN

Of the Philadelphia Bar

The author of the report on the Magistrates' Courts of Philadelphia exposes their workings. It is the duty of the Bar to assume leadership in reform. :: :: :: :: :: :: :: :: ::

SOME twenty years ago I was asked to defend a man arrested on a charge of assault and battery under a warrant issued by a Philadelphia "magistrate" and returnable in his court. The man was a "private constable" employed by a large milk dealer to cruise around and prevent other milk dealers and peddlers from refilling his bottles with their milk. This constable had caught a refiller red-handed and had sworn out a warrant for him under a statute prohibiting refilling. The refiller had then hied himself to his favorite magistrate and had obtained the warrant for my client.

The hearing was held in a small dingy room in the rear part of which was a platform for the magistrate's desk. The complainant did not tell his story readily and his lawyer practically testified for him, creating in my mind the impression that the story was altogether the lawyer's. It was to the effect that the complainant, innocent of course of any wrongdoing, had been hit on the head by my client with a milk bottle snatched out of complainant's hand. Now my client was a man of some five feet eight in height; so broad that he looked short, and half as thick through as he was broad. If he had ever hit anyone on the head with a milk bottle the only court to which the hittee could have appealed would have been that supreme tribunal which corrects all earthly errors.

Notwithstanding protests, the magistrate made no attempt to restrain complainant's lawyer from testifying for his client. My client then took the stand and gave a clear and convincing account of the actual occurrence. At its conclusion I suggested to "his honor" that there was not very convincing evidence on which to hold defendant. He said: "While perhaps there is not a great deal of evidence I think that under all the circumstances I will hold defendant in $500 bail for court," and the hearing ended.

"All the circumstances" of course were that the magistrate was the Republican ward leader, and that complainant's lawyer or complainant himself was one of his followers or allies or a friend of one of these. I thought of this hearing—and others like it—when I read in 1926 the report of a committee appointed by the local Bar Association to examine into the administration of the criminal law in Philadelphia. It said: "In privately prosecuted cases, the counsel for the prosecutor generally selects a friendly magistrate, and it is frequently a foregone conclusion that the accused will be held without much regard to the evidence produced." And finally: "The magisterial system as set up and administered strikes at the good repute of the criminal administration in its entirety, and until some remedy can be found and applied, the criminal administration of the city will not receive the respect of the community."

This conclusion is justified by a history of one hundred years of corruption, oppression, and inefficiency in the magistrates' courts and their predecessors the aldermen's courts. We started out in Philadelphia by making the aldermen of the original city corporation of "Mayor, Recorder and Aldermen" justices of the peace with power to hold for court, and to try summarily small offences and small civil claims, and continuing them in this jurisdiction after they lost their administrative and legislative duties by the remodeling of the city's governmental machinery. They were, of course, without legal training. We became well disgusted with the results by 1873, but the Constitutional Convention of that year (the latest we have had) did little beyond reducing the number of aldermen, giving them the new name of "magistrates," and making future improvement difficult by detailed constitutional provisions. Efforts to have the job done by lawyers were defeated by the "all that is needed is commonsense" party in the convention.

MAGISTRATES ARE UNTRAINED

There are three main causes for the widespread dissatisfaction with our magistrates, which I will state briefly. First is their lack of legal training. How can judicial work be well done by men who don't know law? Heretofore the answer to the criticism has been that their work was so simple that a knowledge of law was unnecessary. But this statement won't hold water. The work is not simple and is growing even more complex. Do you wish to be obliged to go before the grand jury on some baseless or trivial charge because the man who holds the preliminary hearing can't weigh evidence, or to be held for violation of some law which does not exist, or to be obliged to retry a civil case before a trained judge because the untrained judge before whom it first comes doesn't know a contract from a stone-crusher? And if you can't afford a lawyer to defend you from the malice of a neighbor or the petty persecution of some official, or the rapacity of an installment salesman, wouldn't you like to feel that the man who hears your case is able to get at the truth and to use the law to give justice?

MAGISTRATES ARE POLITICIANS

The second cause of dissatisfaction is the political character of the magistrates. They are in their posts because the political organization which controls them wishes to be able to get votes by protecting its adherents from deserved punishment. They are an infectious, paralyzing agent in the body politic, preventing the repression of crime, burdening grand juries and prosecuting officers, discouraging the police, doubling the work of other courts, spreading disrespect for law and dissatisfaction with government.

Come with me for a moment before some of these magistrates.

We are prosecuting someone for stealing merchandise. He and three other employees have been in a scheme by which false entries of withdrawal from stock and deliveries have been made, and the merchandise has been sold for their benefit. Three of the four have confessed and have accused the fourth, who is now being prosecuted. Two of the three are here to testify against him and there is also evidence that he was arrested while attempting to escape. He is represented by a well known political criminal lawyer whom the magistrate addresses by his first name. This lawyer tells the magistrate that the testimony of accomplices is not admissible in evidence. The magistrate says: "Well, ———, you know the law and if you say so, it must be so," and discharges the defendant. Of course, people are convicted every day on the testimony of accomplices.

SOME EXAMPLES

Here is the report of three civil cases heard by a Philadelphia magistrate in March, 1929: .

"The first was a suit by a mechanic against a father and son, who had employed him to do certain work for $80 but, he alleged, had paid him nothing. The father admitted the making of the contract but said that it was in writing, and that the plaintiff had been paid $30. The son denied any part in the contract. The magistrate refused to hear about the written contract and gave immediate judgment against the father and son jointly for the full amount of the claim with costs.

"The next was a claim by an Italian carpenter against a woman who had hired him to make a glass door for $30. The woman was in court with her son. She spoke no English, and the son spoke it very imperfectly. The magistrate said: 'Do you want to pay?' 'Yes,' said the son, 'but the work was not finished; is broken.' Evidently he was trying to point out that the job had not been done satisfactorily. 'Judgment and costs,' shouted the magistrate, without listening further, and so quickly that the woman and her son did not understand what had happened. They were pushed aside, and the third case called.

"This was a suit by a young man against an employer, whose service he had left, for back salary at the rate of $15 a week. The plaintiff stated that he was employed at $2.50 a day to deliver packages. The magistrate told him not to be behind the times, that newsboys made $11 to $12 a week selling papers in the evening. The employer stated that the plaintiff had left his employ in the middle of the week, without notice, and owed him $10 which he had borrowed. 'Do you owe him anything?' asked the magistrate of the employer. 'Yes.' 'How much?' 'I don't know.' The magistrate then impatiently shouted 'Judgment for debt and costs.' No deduction was made for the loan."

DISHONESTY

The district attorney's office had only two or three detectives at its disposal prior to 1919, when the legislature, at the request of the district attorney then in office, much increased the force. In the course of the hearings on the bill for this increase the district attorney stated that a certain magistrate, whose conduct had been investigated by his office, would have been indicted had the district attorney had the necessary detectives: "There are back-room records and reports received by us showing that he is doing crooked work." In February, 1927, a magistrate was convicted, on his own plea of guilty after the commonwealth's evidence was in, of malfeasance in office, fraudulent conversion, and extortion. He had in one year collected and banked $87,993 obtained from defendants brought before him, chiefly on liquor charges. Two years later another magistrate was convicted of misdemeanor in office, extortion and bribery, and conspiracy to release prisoners upon insufficient and fraudulent bail bonds.

DEFECTIVE ORGANIZATION

If I were to go on to describe the careless records, the negligence in making required reports, and in accepting insufficient bail, the buffoonery at hearings; and all the other evidence of the utter incompetence of most of the men selected to fill an office so important to the community, you would agree that the personnel of the office needed improvement. But personnel is only a part of the difficulty. The third principal cause of the dissatisfaction with these courts is their defective organization. In Philadelphia there are twenty-eight magistrates' courts—separate little planets with independent orbits. In 1927 the legislature, at the instance of the local Bar Association, made the magistrates into a board under one of their number chosen by themselves to serve as chief magistrate for the remainder of his own term, and gave the chief magistrate the job of coordinating and supervising the work of these courts. But what can a chief magistrate chosen by his fellows do with such an organization and personnel? It is not in that way that real improvement can come, for the twenty-eight separate courts, the small-fry politician untrained in the law, and the admission of political influence, will remain.

POSSIBLE IMPROVEMENTS

I will set forth only very briefly the most promising measures of improvement. We need trained lawyers of good calibre and character for the work of the magistrates, organized in a single court under a president judge, who with the concurrence of his colleagues should have broad powers over administration and procedure. Getting the judicial work of the community well done is a business requiring business organization, methods and powers, as well as trained personnel. We have a Municipal Court in Philadelphia whose trained judges already possess all the powers which magistrates enjoy and who exercise a jurisdiction which includes theirs. The thing to do is to wipe out the magistrates' courts and enlarge the Municipal Court to take care of their work.

And now I come, in conclusion, to something as important as remedies, and that is what has been called the motive power for reform. Of course, the defects of the magistrates' courts are not the fault—except to a small degree—of the magistrates themselves. The magistrates are in politics and the community has provided these offices as political rewards for this type of man. The real responsibility must rest on the community. How is the community to appreciate and act upon this responsibility? First it must be informed. A beginning in that direction has been made by the Harrison Foundation, which employed me to write the account of the magistrates' courts reviewed elsewhere in these pages. Next there must be leadership by the bar.

Lawyers are too distrustful of the public. They are afraid to solicit its coöperation in obtaining reforms lest the public take the bit in its teeth and gallop away toward radical or unwise legislation. But the public is not necessarily radical. It is at times impatient, and well may be, over the delays, inconveniences and oppression to which a poor administration of justice subjects it. And lacking expert guidance, it will in time translate this impatience into unwise action. The Bar should therefore inform and guide the public toward desirable changes. The motive power for wise reform can come only from an aroused public led by a public-spirited Bar.

WISCONSIN ASKS "HOW GOOD IS YOUR TOWN?"

BY AUBREY W. WILLIAMS

General Secretary, Wisconsin Conference of Social Work

Using carefully prepared appraisal forms, Wisconsin communities take stock of their government facilities and services. :: :: ::

Anyone who gives thought to how the affairs of a city are conducted must be impressed with the wide discrepancy between that which we know and that which we practice. There is doubtless much substance to the statement of Bertrand Russell that we know enough about medicine to make life physically safe, but from a relatively small number of deadly killers.

In brief, what we have is a fully developed dilemma. There are the high refinements in education, in community health, fiscal government, courts, departments of fire, police, safety, etc., which are for the most part used either only partially now or not used at all. Without much question, one reason amongst many for this failure to use improved methods lies in the fact that our policy-making public bodies as well as the citizens are unaware of, first, the facts with regard either to what is actually going on in our schools, health work, courts, or, second, with regard to the nature and benefits of the recent developments in the fields of medicine, education, administrative and substantive law, recreation, social work, etc.

THE WISCONSIN APPRAISAL FORM

One attempt to inform citizens and public officials of the salient facts concerning their government, schools, etc., has been made in Wisconsin through the development of an appraisal form which indicated what were the commonly held minimum factors which should be present in any government, which was attempting to meet modern requirements. These forms were worked out so as to set forth in simple language a school set-up that would include the most advanced ways and methods in the field of education. The same was done with regard to city planning, municipal government, libraries, health work, recreation, social work, religious work, industrial conditions, and living conditions.

When applied to any community, there is obtained a comparison of what is in use in a given community in the way of method, equipment, and to some degree what results are being obtained as over against what is held to be desirable by those whose training and experience represent the most advanced in educational methods, governmental work, etc.

This is what has been called, in Wisconsin, "measuring one's community." Such measurings have been made by citizens of their communities in some 70 Wisconsin cities, towns, and villages. The first of this work was back in 1925, when the Wisconsin Conference of Social Work, under whose guidance the appraisals have been developed, organized a "Better Cities Contest." The second, and more extensive development, was a joint effort last year, in which the

Wisconsin Department of the American Legion joined forces with the Wisconsin Conference of Social Work, resulting in some 50 communities "taking stock" of what they had in the way of schools, recreation, city planning, etc.

Fundamentally, the whole effort was to simplify contemporaneous culture and separate the threads of current living as it weaves the daily pattern of a hundred and one interests into knowable and understandable strands, which the average citizen can follow easily. And again the attempt included furnishing citizens and officials with a basis of comparison of what they have with what has recently been developed, and with a broader experience than is possible for one not specializing in any given field.

WIDE COÖPERATION IN PREPARING FORMS

Obviously, the task which such a work sets for itself was the translation of the meaning of one set of ways and means as against another set. It attempted to give citizens a set of tools by which they could make a meaningful comparison between what their communities had with what was held to be desirable.

In developing the forms, the work has had the benefit of the assistance of Professors F. A. Aust of the Landscape Design Department and H. F. Janda of the College of Engineering, both of the University of Wisconsin, who worked on the forms for city planning; Professor F. H. MacGregor, chief of the Municipal Information Bureau of the University of Wisconsin Extension Division, who worked on the municipal government form; Industry—Fred M. Wilcox, chairman of the Wisconsin industrial commission; Health—Dr. C. A. Harper, secretary of the Wisconsin state board of health; Education—O. H. Plenzke and John Callahan of the Wisconsin state department of public instruction, G. F. Hambrecht and C. L. Greiber of the Wisconsin state board of vocational education, Prof. A. H. Edgerton, director of vocational guidance at the University of Wisconsin, and Professor Joseph K. Hart, formerly professor of education at the University of Wisconsin and now at Vanderbilt University in Nashville, Tenn.; Library—C. B. Lester, secretary of the Wisconsin free library commission, Miss Harriet C. Long, chief of the travelling library department of the Wisconsin free library commission, Miss Almere Scott, chief of the University of Wisconsin Extension Division department of debating and public discussion, as well as the following from the public libraries of the respective cities—M. S. Dudgeon, Milwaukee, Miss Florence E. Dunton of Manitowoc, Miss Cora Frantz of Kenosha, Miss Leila A. Janes of Fond du Lac, Miss Aileen E. McGeorge of Stevens Point, Miss Jessie E. Sprague of Brodhead—all of Wisconsin; Recreation—Edgar B. Gordon, professor of music at the University of Wisconsin; Social Work—Professor John L. Gillin of the sociology department of the University of Wisconsin; and Town and Country Relations—J. H. Kolb, professor of rural sociology of the University of Wisconsin College of Agriculture.

WHAT THE FORMS CONTAIN

The material offered in the appraisal forms was divided into eleven parts—historical background, city planning, municipal government, industry, health, library, education, recreation, social work, town and country relations, and religion.

Each of these eleven major sections was then divided into parts corresponding to the organization of such work in communities.

In *City Planning*, the schedule was broken up into divisions covering the city plan itself, traffic conditions, zoning provisions, parks and public areas, and the appearance of the city.

In *Municipal Government*, parts were worked out on the whole field of finance control, public works and utilities, public safety, and there was a section worked out which would provide a gauge of civic wakefulness.

In *Industry*, the schedule was limited to an inquiry into the regularization of work. No attempt was made to gauge the type of industry, the extent or material resources of a given community. The schedule was limited to an inquiry with regard to the possibility of making a living, the cost of living, including, quite naturally, child laborers.

In the schedule on *Education*, the study covers the public school system, parochial schools, vocational schools, and contains an extensive series of inquiries with regard to informal instruction and the adjustment of the school to the needs of the pupils. There is a final section in the schedule which deals with attitudes toward the schools.

In the schedule on *Library*, there is a close-fitting, detailed series of inquiries which were worked out to show up each portion of the services rendered by the Libraries.

In *Social Work*, the schedules were worked out to bring into bold relief the machinery which exists in the community to aid the various groups of the socially incapable—the family, children, aged, delinquents, mentally defectives.

The schedule on *Recreation* sought to provide for giving facts with regard to the extent to which the municipality as such provides for recreation, and the sections were worked out to reflect the nature of commercial, private, and institutional recreation.

The schedule on *Town and Country Relations* was worked out with an effort toward providing a basis for the reflection of facts concerning the economic, recreational, educational, social, and religious relationships which exist between the town and country, the trade area being used as the basis of the compilation.

The schedule on *Religion* provided for the recording of religious units in the community, with their membership, financial support, and sabbath school organization.

THE SELF-APPRAISAL METHOD EMPLOYED

Inasmuch as the schedules were offered as a means whereby citizens could inform themselves as to the nature of their existing institutions—methods employed by those in control, equipment possessed, and some measure of results—the plan by which they are applied is obviously important. In the Wisconsin effort, the use of the schedules has always been posited on the participation of a city-wide citizens' group, representative of every major interest in the community. Attempts have been made, always, to guard against an "official reporting" by administrative heads of the various groups in the writing of these reports.

Recently, the communities in the state (listed on the following page) under the auspices of the Wisconsin Department of the American Legion, and the direction of the Wisconsin Conference, made use of the appraisal forms.

A total of about 2,500 citizens, in these communities, assisted in making studies of their own resources, based upon the use of these forms. It is apparent that most of the value of these, or any forms similar to them, depends upon a wide citizen participation in any studies that are made. It is patent that it would

Appleton
Rice Lake
La Crosse
Stoughton
Sheboygan
Shell Lake
Alma
Walworth
Columbus
Elkhorn
Grantsburg
Kewaunee
Oshkosh
Waupaca
Menomonie
Wabeno
Brodhead
Plymouth
Kenosha
Luxemburg
Ladysmith
Osceola
Bangor
Antigo
Phillips
Frederick
Horicon
Madison
Washburn
Menasha
Somerset
Oconto
Footville
Janesville
Ripon
Kiel
Racine
Lake Mills
Two Rivers
East Troy
West Salem
Glenwood
Independence
Sheboygan Falls
Milton-Milton Jct.
Alma Center
Mineral Point
Cottage Grove
Platteville

have little value, for, say, a school superintendent, a librarian, a city engineer, to fill out such forms although they do form a source of information for the citizen making the study.

The whole plan also contemplates a joining together of state and community forces, if the greatest benefits are to be realized from the employment of the appraisal forms. In the Wisconsin experience, the department of health, the department of public instruction, the bureau of vocational education, the library commission, the industrial commission and various departments of the University of Wisconsin played a large part in the work that has been done, not only by participating in the forming of the standards set forth in the appraisal forms, but by grading the citizens' reports made on the basis of these forms. In the Better Cities Contest a report was made to each community of methods and equipment in use, this report back to the community having been worked out coöperatively between the state departments and the Wisconsin Conference of Social Work. Thus each community which participated in that first effort was given an authoritative measuring stick indicating the extent to which each was utilizing approved methods and equipment. The effort has also resulted in the establishment of a coöperative relationship between numerous communities and the state departments, and state private service agencies and is further resulting in the establishment of full time municipal recreation programs, health departments, city plans, and in general, tying the state departments and the municipalities together in a common effort.

DOES THE PROBST RATING SYSTEM RATE?

I. NO

BY LEON BLOG

President, Los Angeles Municipal Engineers' Association

Los Angeles municipal employees, declares Mr. Blog, are dissatisfied with the Probst Rating System, which was described in the REVIEW *for March.* :: :: :: :: :: :: :: :: ::

OUT here, in Los Angeles, the municipal engineers, on the whole, condemn the application of the Probst System described by its inventor in the March, 1931 issue of NATIONAL MUNICIPAL REVIEW. A few who happened to get a higher rating than they ever held under the existing system may enthuse over it. Even these few can see that a new department manager not liking them so well might use the Probst System to grind out a much lower rating. Anyone who wishes to inquire will find that the dissatisfaction with this system is not confined to the engineers, but will be found with clerks, accountants, stenographers and other employees of the engineering department. By far the greater number of the executives repudiate the system because its ratings did not rate the men as the executives thought they should rate.

EMPLOYEES DON'T LIKE TO BE RATED

In our opinion, it is not true that the average employee wishes "To see oursel's as ithers see us." Human beings do not relish criticism, especially when it is so personal. Some of the questions which are found on the rating sheet we consider irrelevant and immaterial to the question whether we are capable of doing work of quality and quantity. This is all that should matter with regard to any employee.

Considerable bitterness has been created toward the supervisors because on May 15, 1931, the Probst Ratings sheets were for the first time handed out to the employees, and they read what their chiefs thought of them. The proponents of the system (those who were sold upon it by Mr. Probst or his agents) now wish to save its face by saying that these first ratings should be looked upon only as an experiment. They say that the next rating will be better because the supervisors will understand the system better. That cannot be true. The supervisors were supposed to answer the questions on the rating sheet truthfully, without bias or prejudice. They cannot now unsay what they said about any employee without becoming prevaricators.

In our opinion, the Probst System of Service Rating may be likened to a process in logic. The rating sheet constitutes the premises. The stencil and slide rule together are the reasoning processes. The rating is the conclusion. When the premises are wrong, it matters not how accurate the reasoning may be. The conclusion will be wrong.

PROCEEDS ON WRONG PREMISES

We contend that the premises are wrong. A man may be slow moving but have an alert brain compensating therefor. He may be active and not strong but the job does not require strength. He may not have a pleasant voice but his work does not require it. There are about 100 such questions dealing with characteristics of the employee. Who can say with truth how much more valuable speed is than mentality, how much more weight should be given to activity than strength or vice versa, or whether any or all of these are more or less valuable in an employee than a pleasant voice? There is absolutely no scientific basis for evaluating these characteristics relatively to one another. We assert that there is no scientific relationship between standings of the various employees in a group when rated under the Probst System. We welcome proof that there is.

Output is another factor in rating. Take any or all of the questions which reveal a worker's output in the division of bridges and structures, city of Los Angeles. It is largely a matter of accident whether a worker gets a succession of difficult or a series of easy assignments. Or he may get alternately easy and difficult jobs. It depends upon what has to be done at the moment that he finishes an assignment. We have a force of at least thirty men. It is physically impossible in work of such complex character as bridges and structures for the head of the division and the other two raters to evaluate the output of each member of the force during the period between ratings whether that be six months or one week. The most that can be observed is this: the man who gets all difficult jobs will naturally turn out fewer of them. This may be registered in the executive's mind. The man who gets all easy jobs will of course stand out as a producer. Unless the executive can equate the small number of difficult jobs to the larger number of easy jobs he cannot properly rate these two men on output. When we have the case of alternately difficult and easy jobs the rating is still more difficult.

RATING POSSIBLE ONLY ON IDENTICAL TASKS

This sort of work is not mass production in which several hundred men may be working at identical operations on similar machines. The premises being wrong, the conclusion cannot be right despite the ingenious tools used in arriving at the conclusion, i.e., the rating. The writer has made thousands of time and motion studies on operatives for the purpose of establishing the standard time for average men as a basis of wage payment. He believes that men can only be rated with any degree of science upon identical tasks.

Take five men out on a rifle range. Stand them at 100 yards from five identical targets. Arm them with identical rifles in equally good condition. Give the command, "Fire." Check the five targets for hits. You can then rate the five men upon their marksmanship. The results did not depend upon whether the man was short or tall, active or strong, courteous or pleasant, reliable or coöperative. He either hit the target or he did not and one man shot closer to the bull's-eye than another. The men could be rated because they were being tested upon identical tasks under standard conditions.

The fact that the system has been "sold" to some cities or states does not prove that it is working satisfactorily. Some people are easy to sell. It may not have been in operation long enough to show up its inapplicability as yet. Also, the situation may be such that the employees do not dare to speak their minds upon the subject because the supervisors, having "bought" the system, do not dare to reverse themselves and admit that they spent money unwisely.

We urge those who may be thinking

of introducing the Probst System amongst their employees to investigate at first hand its performance elsewhere and, even then, to ponder carefully whether it can be introduced without creating the antagonisms which employees here now feel toward their superiors and toward one another since the first rating sheets were returned to the employees for their perusal, to enable them to see themselves as others see them.

II. YES

BY FRED TELFORD

Director, Bureau of Public Personnel Administration

The Probst system may disclose facts that some employees would prefer to keep hidden, but the new tool will prove useful to taxpayers, management and employees alike. :: :: :: :: ::

DURING the past year I have made a consistent endeavor to follow very closely the use of the Probst Service rating system not only in the Los Angeles city service but also in the California state service, the Cincinnati city service, the Detroit city service, the Westchester, Hamilton, and Multnomah county services, the Long Beach city service, the Duluth city service, and in some other places.

One of the marked characteristics of the Probst system of service rating is that it brings out into the open facts which some people would prefer to have remain hidden. Undoubtedly it is not always a pleasant thing to rattle the skeleton in the closet. There is no doubt in my mind, however, that in the public service the only safe course is to secure facts regarding the various operations for such use as the management, the budget and personnel authorities, the department heads and their principal assistants, the organized and unorganized employees, civic agencies, and the general public may want to make of them. If the city is running behind in its finances that fact should be known. If many miles of new road are being built that fact should be known. And if any officers and employees are rendering exceptionally good service, exceptionally poor service, or average service, that fact likewise should be known.

RESULTS FAIR ON THE WHOLE

In the Los Angeles city service there is no question that the use of the Probst system disclosed facts regarding the performance of some employees which those employees would have preferred not to have explicitly made known in cold print. Likewise there is no question that in some cases, through inadvertence, through failure to understand the fine points of the system or possibly even through discrimination, some reports made by supervisory officers were incomplete, inaccurate, or even biased. There is no question that on the whole the reports were remarkably fair, impartial, and complete. A small group of employees undoubtedly considered themselves unfairly treated. In my opinion the system as administered in the Los Angeles city service provided a means by which any injustices done any employees could readily have been corrected. I cannot agree with the small group—and

I am quite sure that the group is small—that because some employees feel dissatisfied the Probst system should be damned out of hand or abolished. I know from first-hand observation that the Los Angeles city civil service commission will take all reasonable measures to correct any improper reports and I am equally sure that department officers with very rare exceptions will willingly coöperate in these measures—and the few who will not will by that very act condemn themselves as inefficient.

A NEW TOOL NEEDED

I am quite convinced from my observations that a half a day of honest effort to correct any injustices that have been done would result in remedying any improper reports and ratings. And there is no necessity either for abolishing the Probst system or for modifying materially the manner in which it is being administered. The management, the taxpayers, and the employees themselves need this new tool in bringing about a better method of handling personnel matters which is based upon verifiable facts instead of upon impressions and it is essential from the point of view of the hard pressed taxpayer to discover which employees are rendering especially good service, which are rendering merely average service, and which are rendering especially poor service, in order that discriminating treatment may be accorded them.

At present the Probst system is the only system of service ratings which makes this discriminating treatment possible and to me it is all but unthinkable that the city of Los Angeles should abandon its progressive and forward looking attempt because a handful of employees feel without any adequate reason and without attempting to use the remedial machinery set up that they are mistreated.

COUNTY-MUNICIPAL SEGREGATION PLAN PROPOSED FOR NEW JERSEY

BY HARLEY L. LUTZ

Professor of Public Finance, Princeton University

The director of the New Jersey study of municipal finances explains the proposal for tax reduction through a rebuilding of local government units to reduce overhead and increase efficiency. :: ::

THE study of the organization, functions and expenditures of local governments in New Jersey gave emphasis to a condition already thoroughly familiar to students of local government.[1] This is the enormous excess of local governmental units and agencies, and the maladjustment of functional responsibilities which now exists among these agencies.

Confronted by the problem of indicating plans for simplifying the local governmental structure, certain alternatives were proposed in the above mentioned report, each of which involved a greater centralization of administrative and financial responsibility, and a readjustment of functional relationships between local and central governments. One of these plans, which was described by the title "County-Municipal Segregation Plan," will be briefly outlined here.

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[1] *Report No. 1, The Organization, Functions and Expenditures of Local Government in New Jersey,* by the Commission to Investigate County and Municipal Taxation and Expenditures (also known as the Tax Survey Commission), Trenton. 1931.

SIMPLIFY THE TYPES OF LOCAL GOVERNMENT

In substance, this plan aimed at the elimination of the duplication of authority which exists in the maintenance of both county and municipal government over the same area. The segregation proposed was a separation of county and municipal jurisdiction, whereby the larger municipalities would become independent of the county although remaining within its boundaries, while the county would become the chief administrative agency for the rural portion of its area. It is, essentially, a device for separating urban from rural administration. New Jersey has a number of cities of substantial size, each capable of providing the agencies for satisfactory local administration. It also has some hundreds of small municipalities, urban and rural, which are not adequate in size and resources to deal with many important matters now devolving upon them. Instead of maintaining a complete duplication of agencies over the larger as well as the smaller municipalities, the segregation of municipal from county administration would remove the larger places from the county jurisdiction, from the county tax rate, and from the county services.

This plan was not deemed to be capable of universal application throughout the state. Owing to the diversity of conditions, perhaps three different lines of local reorganization are needed. One is the complete elimination of the county in the metropolitan area, with some consolidation of municipalities and the introduction of regional government, the metropolitan "region" proposed by the Regional Planning Commission being a kind of glorified county. Another is the "strong county" alternative suggested by the Tax Survey Commission in its first report, a type which appears better suited to the rural, sparsely settled portions with no important population centers. The third is the segregation plan, chiefly applicable to those sections in which there are, in the same county, both important urban development and a considerable rural territory divided into small, usually weak municipalities.

That is, in some parts of New Jersey the county is already a superfluous local unit because of the extent of urbanization and the need of a larger administrative area than the present county. In other parts, on the other hand, the county is the most promising local unit and it should be further developed as such. In still other parts, a fairly sharp distinction is called for between rural and urban administration. The segregation plan permits simplification of local government by opening the way for rural reorganization without the dangers and drawbacks of a conflict between rural and urban interests.

A possible overlap of county and regional organization in some places was conceded, since the boundaries of the proposed metropolitan region extend beyond the limits of the present congested area, into territory in which county-municipal segregation would be appropriate. There would be, however, a clear-cut separation of functions between the local and the regional units.

It was recognized also that with continued population growth, the pattern of local government would probably require further modification in future. Flexibility of structure is insisted upon, in order to maintain the flow of governmental services upon a minimum cost basis.

READJUSTMENT OF STATE AND LOCAL ACTIVITIES

Both the segregation plan and the strong county plan involve some functional readjustments. Certain former county functions would be transferred to the state. These include a considerable part or even all of the county roads, the custody of persons under sentence, the care of diseased and dependent persons in county institutions, and the cost of courts now falling upon the counties. The object in each instance is two-fold. First, there is the need of securing an equalization of tax burdens by utilizing new sources of revenue to carry the cost of functions formerly financed by local property taxation. Second, there is the need of providing a more efficient and economical administrative area.

The tax equalization argument was based on the assumption that state administration of new taxes is far superior to local administration, an assumption which requires no argument. It was also assumed that less difficulty would be encountered in providing for the cost of these services through the state budget than in working out an acceptable system of state grants to local units for the purpose of effecting local tax relief.

The transfer of the costs of certain functions may involve complete state administration in certain cases, while in others it may mean the utilization of the county as an administrative district, operating under complete state supervision and with state payment of the budgeted or standard costs. This would be, in effect, a widening of the administrative area, through the extension of the state's supervisory control. State institutional care of the insane and feeble-minded, and state custody of prisoners are beyond question superior to county handling of all such cases. Judges are now appointed by the governor, and the removal from county budgets of such court costs as are now borne locally would eliminate one form of mandatory local expenditure, which is in general a source of friction between local and central authorities in New Jersey. Some further details of the proposed administrative relationship between state and local units, arising out of the general plan for the relief of local taxation, will appear in the reports soon to be published.

The importance of regional organization for dealing with certain matters was also recognized. Such things as trunk sewer construction and sewage disposal, water supplies including the control of water rights, the construction and operation of reservoirs and trunk line water conduits, and transit facilities, are in the list of those responsibilities which clearly extend beyond the boundaries of the north Jersey counties.

"INDEPENDENT" MUNICIPALITIES AND THE COUNTIES

Significant readjustments would occur between the "independent" municipalities and the counties under the segregation plan. The key to the whole idea is found in the predominantly urban character of the New Jersey population, more than 80 per cent of which was classed as urban in 1930. It seemed advisable to recognize the relatively greater strength of the sentiments and prejudices for municipal than for county identity, and to aim at simplification by establishing an administrative and functional cleavage between county and municipal government, in those sections where these two forms are found in duplication over territory presenting a marked contrast between rural and urban conditions.

The relation of the county and the segregated or independent municipalities is thus pictured in the language of the report:[2]

> In substance, the plan would provide for a single form of local government over any area—a city government if the usual and characteristic features of urban life were present, or a single consolidated special type county government for the rural areas and the small hamlets which were not recognized as independent municipalities. The county, as a district, would have its boundaries as at present, but so far as the independent municipalities were concerned, it would be only a shell. It would collect no taxes on city property, and perform no services in the cities. The city tax rate would be reduced by the amount now levied for county purposes. In the other direction the special rural government would take over the administrative responsibilities of the rural townships, which have been found to be mainly roads and schools, thus materially reducing the rural township tax rate. In every part of the state there would be one and only one form of local government, which would be either a city or a county. The duplication of county and municipal government would disappear, and the responsibility for all local tax levies in cities would be laid on the city authorities, while the responsibility for all local taxes in rural areas would be laid on the reconstituted county authorities.

AUTOMATIC ANNEXATIONS

For the future, in recognition of the strong tendency toward urban expansion, the independent municipality would be given the right of way over the county, so far as concerns the growth and annexation of newly settled territory. Settlement beyond the confines of a municipality, through the formation of new subdivisions, would not result, as at present, in the formation of small separate municipalities. The aim being to avoid a duplication of local governments, it becomes necessary to provide for automatic annexation as the status changes from rural to urban. This is a question of fact, easily decided by the filing and acceptance of a subdivision plat beyond the former city boundary. Filing and acceptance would be regarded as annexation, an arrangement which avoids the hazard of a referendum and one which enhances the city's control of orderly planning and growth. If the proposed subdivision were contiguous to more than one independent municipality, some competition might ensue to determine which should annex it, but this could be left to take care of itself. The difficulties now created by the satellite municipality would disappear since there would be no more satellites of this character.

The smaller municipalities which did not acquire independent status by building up their own administrative services, would be disorganized as such. The new type of county government would be in effect, a reorganization of the rural area of the townships and of such small hamlets as could not economically justify independent status. Freedom of experiment is suggested in this connection, since some of these small ambitious places might wish to try the experiment of being independent. They should be free to disorganize and reënter the county if the verdict ran against the economy of the experiment. The new county organization would provide for roads, schools, police and other services over the rural areas. It would become a specialized type of rural government while the city would continue as the similarly specialized type of municipal or urban government. The present county boundaries would serve as administrative districts for such purposes as would suit the convenience or the practical needs of the state. They could be used as election districts, as a basis for determining the representation in the legislature, as judicial districts, assessment districts, or for any other purpose which the state might require.

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[2] The Tax Survey Commission, *Report No. 1*, p. 218.

The disposition of county property not required for the new type of county function or by the city now serving as the county seat and the discharge of existing county obligations are matters which would require some time for final clearance. A county-wide tax levy for some of these purposes might be needed until existing indebtedness which could not be satisfactorily apportioned were paid off.

The Tax Survey Commission's report does not undertake a final determination of many matters of detail, nor a complete rebuttal in advance of some objections which might have been anticipated. The fundamental purpose was that of pointing the way for a reduction of governmental costs and of the local taxation to meet these costs, by planning a simplification of structure, with a suitable reallocation of functions. The county-municipal segregation plan was offered as one possibility for accomplishing these results.

BRITISH MAYORS

BY CLINTON ROGERS WOODRUFF

An ancient office enjoying symbolic prerogatives is in danger of becoming "politicalized." :: :: :: :: :: :: ::

Our American mayors cannot compare in dignity or grandeur with our British brethren, nor for that matter with their Canadian confreres. There are many who are inclined to think that the robe, chain, cocked hat and white gloves are, for the most part, relics of a more spectacular age when lace and frills were a part of masculine attire. The fact that each has a definite significance of ancient origin, in which the factor of appearance plays no part, was recently explained during the installation of a Canadian mayor by the town clerk.

THE RIGHT TO A ROBE AND A CHAIN

The conferring of the right to wear a robe and chain of office is a custom that has its origin in times so long ago that they have become lost in the mists of antiquity. Sufficient is known, however, to prove that they were used as marks of distinction and favor, and were conferred only upon persons deemed to be worthy of them. Biblical history is full of accounts of persons upon whom these marks of distinction and favor were conferred. For instance, in the Old Testament we have the story of Daniel, upon whom King Belshazzer conferred the honor of a scarlet robe and a chain of gold when Daniel had interpreted the writing upon the wall after all the king's magicians had failed. Then again in the New Testament we have the story of the prodigal son, who on returning repentant to his father had the best robe placed upon his shoulders, and a ring upon his finger to show to all that he had received his father's forgiveness and was once more promoted to a position of honor in his father's family.

Through all the centuries we find that the robe and chain have been adopted as an outward and visible sign of honor, distinction, and favor, a token of authority, whether it be the coronation robes and chain placed upon the persons of the sovereign at his coronation, the robes with which our judges are invested, the cassock, surplice and stole, worn by the clergy, or the robes and chain with which the mayors of cities and boroughs are invested.

The word mayor it will be recalled is the anglicized form of the Latin *major* meaning greater. The mayor may, therefore, consider himself to be the greater man of the city, not in any vainglorious sense, but as the chief or first citizen, in which position he is placed by the choice of the majority of his fellow citizens for the purpose of looking after and watching over and conserving their best interests.

That, at least is the British conception.

COSTUME IS SYMBOLIC

This robe is usually of two colors, black and white, to remind him that in all questions coming before him when presiding over his council he must bear in mind that there are always two sides, and it is his duty to judge impartially, to act with fairness and consideration towards those whose opinions may differ from his own.

Encircling the robe is a border of white fur. White is the emblem of purity and honesty and the fur for humility. As the white of the robe encircles the black it is intended to point out that purity of mind, honesty of purpose and humbleness of heart must always govern the mayor's actions and keep all unworthy motives within bounds.

The chain is an emblem of servitude. In ancient times the wearing of a collar was regarded as a badge of slavery. Slaves were compelled to wear a collar of gold or some other metal, upon which was inscribed the names of their owners. With the abolition of slavery, that custom has long since passed, but we can still see the custom of the slave's collar perpetuated by the white collar worn by the clergy. The wearing of the white collar signifies that they are, to quote the words of St. Paul, the "servants" —the bond-slaves—of Jesus Christ. So the chain is to remind us that in addition to being the chief man, the mayor is also the servant of the people, and inasmuch as the slaves of olden times were compelled to render service to the utmost of their ability, so in like manner the mayor must remember that he is not only the "greater man," but also the "chief servant" of the people, a thought that may well be borne in mind by all mayors, British or American.

The British mayor's hat is so made that it points both forward and backward, to suggest that while the mayor must look forward to the future with courage and determination, he is also to profit by the experience that has been gained, and endeavor to achieve greater success by the avoidance of any mistakes that may have been made. The hat is worn above the eyes and is so made that the sides of it point upward being slashed on one side with a golden stripe. The upward point is to direct his eyes to the Supreme Power to whom he may always look for guidance, and the golden stripe is an indication that the blessings of Heaven will always shine upon upright and worthy motives.

Certainly this is a beautiful symbolism that might very properly and with advantage be transplanted to this country. For we do not as a rule hold our mayors in sufficiently high esteem.

As Professor Munro in his *Invisible Government* points out, it is an elementary principle of practical politics that the sovereign populace usually votes its resentment, not its appreciation. As a rule, the average citizen does not vote *for* anything, but *against* something. He keeps a one-sided account. His ledger has a debit side only, with no credit side. He makes a mental entry of everything that encounters his disapproval; but what pleases him he takes for granted and simply dismisses from his mind. If taxes go up, he remembers it; if they go down, he forgets. On the face of things one might imagine it good politics to offend forty per cent of the voters if such action was assured of approval from the remaining sixty per cent; but the seasoned campaigner knows that this is the mathematics of a simpleton in politics. He has no patience with a quantitative theory of votes and voting. Ballots are counted equally, no doubt; but not all voters are equally susceptible to the same motives in casting their ballots.

More than any other of England's municipal authorities, the corporation of the city of London is the embodiment of the strength that comes from trading and vast possessions and ancient lineage. It represents the merchants and the bankers who finally decide the fate of every undertaking conceived in the name of local government, until a means is discovered that will enable the cost of works to be defrayed from some other source than borrowed money. When Sir William Waterlow occupied the lord mayor's chair several years ago he devoted the principal part of his lord mayor's show to the representation of two leading industries—the printing and the motor trades. No other two of Great Britain's industries could have been selected as more responsible as standards of wealth and power. Elephants and the chorus girl, on occasion, as the London *Municipal Journal* declared, have been the salient features of lord mayor's shows. Lord Mayor Waterlow however, was a master printer, brought out the monotype and six cylinder chassis and they made admirable publicity and were rewarded by the largest crowds to witness a lord mayor's procession since the king's coronation. That alone indicates, as the *Journal* pointed out, that the age in which we live loves accomplishment, and has a veneration for work. Indeed, all the events that surround a lord mayor's show and the banquet by which it is succeeded are an obeisance, both on the part of high authority and the populace, signifying their dependence on money and on trade. Nothing more clearly indicates the essentially practical nature of the London municipal organization than a rational lord mayor's show; it also serves to impress upon the people the significance and importance of municipal government.

A DIGNIFIED OFFICE

Some idea of the value attached to the lord mayoralty of an English city is to be found in the controversy that broke out several years ago in the city of Bristol over a question of precedence. The claim had been set up that the lord lieutenant of the city of Bristol took precedence of the lord mayor of that city, but it was concluded that the claim could not be supported. The decision of Lord Chief Justice Cockburn in 1860 laid it down that the precedence confirmed to the office of mayor by the Municipal Corporations Act, 1835, applied to social as well as to official precedence in the town or city.

In the city of London the lord mayor takes precedence over every subject of the crown, including princes of the blood royal, and holds a quasi sovereign position. By virtue of his office the lord mayor of London is the head of the city lieutenancy and has the privilege of recommending to the sovereign the names of persons to fill vacancies occurring therein. The circumstance that the lord mayor is the chief magistrate of the city places him above the lord lieutenant.

As it happens the mayor of Bristol was appointed the king's escheator by Charter of Edward III, so that he is as much a king's officer as the lord lieutenant, who dates from King Edward VII's warrant of 1904. The erudite town clerk of Bristol showed that Queen Elizabeth herself, who knew how to please the citizens, actually sent the Earl of Pembroke, who was lieutenant of Wilts, Somerset, and Bristol, to prison because he presumed to attempt to raise the levy in that loyal city.

In High Wycombe, England, the weighing-in of the mayor and his assistants has been a custom since the year 1285. Probably this was a serious matter when it was first instituted; else it would not have endured. Though it is practiced to this day, the citizens of High Wycombe find high amusement in it. Their viewpoint, however, has changed as the manners have changed with the passing years. A few American cities are adopting innovations in this twentieth century which may seem farcical at a later time, should they last.

Perhaps the former citizens of High Wycombe judged the ability and integrity of new officials by weight and size, for it is unlikely that they had any kind of a Bertillon system that could be used in a polite manner to encourage honesty and good government.

Cities and towns in this country have strayed into "musical extravaganza" enterprises that have gone far enough, although they have not nearly approached several British and German municipalities. In one American city there is a municipal grocery store maintained for the benefit of dependents. Another city proposes a municipal coal and wood yard. Another city has raised its mayor's salary from $2,000 to $2,500, because he spends $500 a year in giving presents.

European cities are more eccentric. Some of them conduct tanneries, bird stores, milk depots, restaurants, book stores, binderies, saloons, cobbler shops, ice cream parlors, coal and wood yards, and establishments that scarcely would invite individual speculation and industry. So, in many respects, the weighing-in custom that prevails in High Wycombe is not the strangest municipal feature in Europe and America.

RELATION TO PARTIES

In England it has been generally understood that the mayors were to be independent of party, but "Labor" has made its mayors political partisans. In London there has been formed a Metropolitan Labor Mayors and Ex-Mayors Association. It is a strong party organization that campaigns for "Labor purposes." The political mayors have worked their way into the ministry of health and the Fulham Borough Council has felt it necessary to lodge a protest against the action of the minister of health in empowering and requesting this political mayors' association to arrange for the appointment of an important delegation in connection with such a far-reaching matter as the continuity or otherwise of the metropolitan common poor fund. Fulham thinks that if an expression of opinion is desired in such matters, the usual channels should be utilized in obtaining the views of properly elected bodies. It certainly is not popular government to ask a party organization to discharge functions that involve the financial interest of the whole metropolis. "We know that the Labor people are clever campaigners," the *Municipal Journal* says, "but the ministry of health ought not to succumb to the wiles of men who merely make use of the machinery of local government for party purposes. What would Labor say if the ministers had invited the assistance of Tory mayors and ex-mayors in aiding him to come to a settlement of the difficult financial problems associated with the common poor fund? Labor, we regret, has introduced a most undesirable element in local administration."

Reports from all parts of England make it clear that almost without exception the choice of mayor at recent elections, has been decided by political considerations. The available figures are not precise, but, excluding London, it seems that 142 mayors state their allegiance to the Conservative Party; 73 are Liberals; 51 Labor. In forty-one cases the mayor's politics are not stated; nineteen claim to be Independents; there is one Independent Conservative, one anti-Socialist, and one Municipal Reformer.

REGIONALISM—A NEW APPROACH TO THE GOOD LIFE

BY CHARLES S. ASCHER
City Housing Corporation

Regionalism takes on a new meaning and significance for municipal administration. It affects social, economic, and political values.

THE Institute of Public Affairs held in July at the University of Virginia conducted a Round Table on Problems of Municipal Administration. The roster of speakers looked like the list of the executive committees of the National Municipal League and the International City Managers' Association rolled in one. The program covered police administration, taxation, budgeting, public welfare; but it is not my purpose to report on these discussions, because, unfortunately, I did not hear them.

When I arrived at Charlottesville, the captains and the kings were departing rapidly. During the following week their places were taken by a varied array of poets, agricultural chemists, sociologists, city planners, philosophers, architects, lawyers—and a state governor—who met to discuss what was called "Regionalism." Even the speakers were chary of defining this term, and the discussion was broad in its range. It was philosophical in tone—and not so directly concerned as Professor Thomas H. Reed and his city manager and research bureau friends with how to get things done. None the less, out of the discussion came a point of view and a challenge of interest to municipal administrators; there was sounded a note, which, as it swells in intensity, should affect municipal administration; and if regionalism is a sound philosophy, it must look to municipal administrators to help it realize its ends.

THE TREND TOWARD THE METROPOLIS

Of course, it is no news today that a group met somewhere to discuss planning. As Stuart Chase said at Charlottesville, one would as soon appear on the streets without his trousers as without a five or ten-year plan for something. As for city planning—the National Conference had held its twenty-first annual meeting only a few weeks before. As for regional planning—that phrase has been heard, too: the department of commerce in January listed sixty-seven official and unofficial bodies called regional planning organizations.

Most of the regional plans now under way are technical extensions of city plans, recognizing that our present urban units transcend local political boundaries. The region they deal with is usually a metropolitan area which must study its highways, transit, water supply, recreation, etc., in a comprehensive and unified way. Flavel Shurtleff, in describing the Regional Plan of New York and Environs and similar projects, put forcefully before the Round Table the problems that metropolitan planners have to deal with.

There is no doubt that this kind of planning is a response to immediate needs. Professor Roderick D. McKenzie of the University of Michigan, who has made a special study of urban trends, presented a devastating array of statistics revealing the continued accelerated trend toward the metropolis. A social scientist who is trying to study human ecology as others study plant and animal ecology, he painted a picture of a society clustering in great centers, dominated by the centers, each of which tends to duplicate the functions of the others. The population is one of migrants—the shifts from center to center are almost as great as those from country to city. People do not live where they grew up. The equilibrium is mobile, not biological; and with this great individual mobility goes individual insecurity. Such communities, with their heterogeneous groups, with their wastes of obsolescence, of blighted areas, of shifts in use, present great difficulties in municipal administration, as they do in other fields of economic planning.

REGIONALISM AND CIVILIZATION

The challenge of the Round Table on Regionalism was whether there were not other values to which governmental planning should direct itself: whether, however much improved the circulation and transportation, under the most hopeful of metropolitan plans, such metropolitan living provided the good life—whether under the dominance of the metropolis, the good life could be led even on the farm.

The significance of the Round Table was the diversity of the people who raised these questions. Southerners particularly (since the meeting was in the South) expressed their fear that metropolitanism, coming in the wake of the new industrialism, would inundate them, and, in making over their communities in the industrial-city pattern, wipe out a distinctive heritage which the South prizes. Thus Stringfellow Barr, editor of the *Virginia Quarterly Review*, pleaded brilliantly that the end of the plantation as an economic organization need not mean the end of the social and cultural values which flowered there. John Gould Fletcher, poet, "neo-Confederate," contrasted what he called "false cosmopolitanism" with respect for the genius of the region, those forces which Patrick Geddes has symbolized under the three heads of place, work, folk.

Lewis Mumford, for another group, those influenced by men like Geddes and Ebenezer Howard, described regionalism as the consideration of city, village and permanent open space together as one complex; with regard for the balanced environment and settled mode of life. In this view, the city is to be studied not in terms of the physical area it is to cover, but the functions it is to serve, the institutions which properly belong there. And such studies should, with greater knowledge, show us that there is a norm even for industrial-age metropolises: an optimum size, beyond which they cease efficiently to discharge their legitimate functions.

It was an agricultural chemist who presented one of the most stimulating pictures of a regional movement. Professor C. M. Ford, of Western Teachers College, Bowling Green, Kentucky, told of the leadership which his institution is taking in trying to make of the limestone corridor of Western Kentucky, covering parts of forty counties, a region which will have greater economic and cultural self-sufficiency. This means two things: that all the technical resources of the college are to be turned to a study in economic geography—a survey of the present uses and the possibilities and needs of the area; and, even more, that the college should so mould its educational objectives that its graduates will feel a life in Western Kentucky to be a good life, instead of allowing themselves to be sucked into a distant metropolis. The studies made show that this region needs industry, to balance its agriculture, to provide nearer markets and materials; but I am sure, after hearing Professor Ford, that the survey will never turn into a "Boost the Limestone Corridor" movement.

REGIONALISM A POINT OF VIEW

There was no program adopted at Charlottesville: no five or ten-year plan. But this is because regionalism, so considered, is a point of view, not a diagram or a code. Unsatisfactory as our internal political boundaries are, regionalism does not yet offer to replace them with new ones which will cure all our problems. In fact, regions will vary according to the function being considered. Dr. O. E. Baker finds about 220 agricultural regions in this country, based upon soil studies; J. Gordon Bohannon, president of the State Port Authority of Virginia, entrusted with the development of the Port of Hampton Roads, described to the Round Table the region served by his port, constituting parts of ten states. For economic planning, such as the allocation of new capital *a la Russe* (if our government is to go in for such things), Stuart Chase, in his paper, did not see how any region less than the entire United States would do.

This means, then, that the regional point of view can touch municipal administration all along the line. Mr. Bohannon let us see clearly that it affected his conception of the purposes of his Port Authority. The object, he said, is not to create a super-port, but one that will best serve the development of the region tributary to it. Would these not be sweet words for the interstate commerce commission to hear from the chairmen of all port authorities along the Atlantic Coast? What would a regionally minded rather than metropolitanly minded study do to our railway rate structure, and consequently to the distribution of our population?

Governor Franklin D. Roosevelt of New York, in an informal and reflective talk of great interest, showed regionalism at work in his state government. He told of the survey of a single rural county which showed that twenty-two per cent of the land now in farms should, from the standpoint of scientific agriculture, never have been put under cultivation, because it could not yield anyone a living; and he told of the various schemes being considered to accelerate the pace at which that land should be gotten into its more appropriate use—whether that be afforestation, or permanent recreation space. This example was particularly noteworthy because it showed that proper regionalism is not merely a "back to the farm" movement: it is a study of relationship, of function.

RELATION TO SMALLER GOVERNMENTAL UNITS

Even within the smaller governmental units, the regional point of view can be effective. Take the field of transit and circulation, which is so much in the forefront. The deputy county engineer of one of our metropolitan counties famous for its progressive program of highways and parkways tells me sadly that, with all the technical brilliance of its staff, his department is in a losing race: fast as they open roads, the public rides faster. Regionalism here, I take it, suggests that equal technical competence be devoted to the study of so locating people's homes, work and play that the need for some of the riding be eliminated.

Even our school boards, and state boards of education, can use some regionalism. Professor Howard W. Odum, of the University of North Carolina, told of the youthful pride with which he, as a young teacher twenty years ago, had sent more boys to the state university from the little village in which he then taught than came from any other village its size in the state. A recent visit, twenty years later, revealed that not one of those boys was now living in his native town: as Professor Odum now confessed, he had gutted that community of its most valuable natural resource, its bright young men.

AN APPROACH TO THE GOOD LIFE

If regionalism offers a sound approach to the good life—and the several score people who attended the Round Table, whatever their difference of background and vocation, felt that it did—the reciprocal question arises: what can the agencies of municipal administration do to promote it? I do not see how it can get along without them: indeed, as I have tried to show, it is often merely a matter of infusing a different point of view or objective into some municipal activity now already under way.

There are two phases to regional plans: their formulation and their execution. Government can help with one, it is indispensable to the other. There seem to be two fundamental branches of comprehensive economic planning: the control of the flow of capital funds, which as Stuart Chase pointed out, is the essence of Russia's noble experiment; and the allocation of the uses of land. The first of these may be outside the province of municipal administration for some time: but there are a number of governmental tools at hand which rightly guided will promote the second. It was Charles W. Eliot, II, director of planning for the National Capital Park and Planning Commission, who shrewdly pointed out at Charlottesville that physical planning is "the easiest end of the stick to get hold of." There is public acceptance of its techniques: they are sanctioned by the courts.

Take as a single example the technique of zoning. Regionalism, the desire for the balanced environment, requires that the metropolis shall not send its muddy back-wash oozing over the rural country side (in Benton Mackaye's phrase) converting it into one undifferentiated slum. Zoning began, in the interest of minimum standards of light and air necessary for health, by requiring lots not less than say 40 or 50 by 100 feet. As zoners have felt surer of their ground, they have gradually stepped up these requirements, until today half-acre, acre, and even five-acre minima are not unknown. At this point it is hard realistically to see health and safety anywhere in the picture: zoning now has become a tool to perpetuate open space, and prevent the 20 by 100-foot lot auction (usually the first symptom) from desolating the land. Similarly with strip zoning to prevent the roadside slum: if we can stop the first back-wash along the highway—and it flows along highways with almost the universality of a physical law—we may be able to stop the process altogether.

And this will not be the first time that zoning has come to serve a purpose not originally contemplated. It is claimed that the initial impulse for zoning—that passionate human purpose which motivates people to action—was the exclusion of Chinese laundries from suburbs of San Francisco. And I have been told of one state where the zoning enabling act was passed soon after a racial segregation act had been declared void: whether the legislators thought this was another way to skin the same cat, I do not know.

More regionalism in government, and more government in regionalism, is then the platform. This lacks the dramatic appeal of starting with the clean slate, and it is not a plan to bear its full fruit in ten years. But the regional point of view (as opposed both to the metropolitan and the overnationalistic)—the ideas discussed informally at Virginia, which will be more definitely formulated year by year, because they spring from real human values—can, I believe, help municipal administration effectively to achieve its ultimate purpose: to provide its citizens with the opportunity for an ordered and rich life.

TRAINING SCHOOLS FOR MUNICIPAL OFFICIALS IN NEW YORK

BY ALBERT H. HALL

Director, Bureau of Training and Research, New York State Conference of Mayors and Other Municipal Officials

New York municipalities have embarked on a comprehensive, six-year training program. :: :: :: :: :: :: :: ::

On January 1, 1931, the New York State Conference of Mayors and Other Municipal Officials received a grant of $52,500 from the Spelman Fund of New York to be used during the next six years for the purpose of establishing and operating training schools for municipal officials and making studies of state-wide practical municipal problems.

This grant led to the establishment by the Conference of a new division, the bureau of training and research, which is under the supervision of the Conference and works in coöperation with the bureau of municipal information. An advisory committee has been formed to give advice in relation to the policies and activities of the new bureau.

THE TRAINING SCHOOL PROGRAM

Since last June, schools have been conducted for the following groups of officials: Patrolmen, firemen, welfare officials, building inspectors, sewage plant operators, assessors and milk inspectors. These schools have been attended by 5,615 municipal officials.

The advisory committee met recently to consider the formulation of a training school program. A training program, comprising twenty-two separate courses of instruction, was adopted and is being carried out by the bureau of training and research. Schools will be continued for the groups which have already received training, and which include patrolmen, firemen, financial officials, civil service commissioners, welfare officials, building inspectors, sewage plant operators, assessors and milk inspectors. In addition, new schools and institutes will be given for health officials, water superintendents, purchasing agents, clerks, park officials, sealers of weights and measures, fire chiefs, police chiefs, public works officials, janitors, mechanics, recreation officials and food inspectors.

Eleven schools will be operated each year by the bureau, either alone or in coöperation with interested state departments or other agencies. Fire and police schools will continue annually as in the past on a zone plan, with instructors meeting at a central point for training in instruction. All other schools will be operated every two years. In addition, round table conferences will be provided for the following groups of officials who are pre-qualified by law: Engineers, corporation counsels, plumbing inspectors, education officials, managers, judges and boards of plumbers. Schools for janitors, mechanics and other skilled labor in municipal service will be operated in various parts of the state at the convenience of the state vocational education division.

Schools for police and fire zone school instructors will continue to be operated as long as necessary, for about a one-week period. Standard curricula are being provided for zone police and fire schools.

THE FIRE COURSE

A committee from the State Fire Chiefs' Association met recently with officials of the bureau of training and research and adopted a standard curriculum for fire training in New York state. The committee believes that all firemen should complete the prescribed course of lectures, the twenty standard evolutions and a final examination, and after having done so should then be deemed to be graduated and should receive certificates of attendance. When the lectures have been taken and the examination passed, no fireman shall be required to attend further lectures. However, the twenty standard evolutions will be given annually and all firemen should be required to take them every year. The standard fire course, with the prescribed hours for each subject is as follows:

Required Lecture Subject	*Required Number of Hours*
Courtesy of men to officers and public	1
Salvage	2
Fire prevention and building inspection	3
First aid	2
Ventilation	3
Simplified hydraulics	2
Auxiliary fire fighting equipment	2
Methods of fighting different kinds of fire	2
Exposures	1
Forcible entry	1
Care of equipment	2
Maintenance and operation of fire apparatus	2
Examination	1
Total number of required hours	24

THE POLICE CURRICULUM

On May 1, a sub-committee met to consider the formulation of a standard curriculum for police training, and prepared a suggested plan of procedure. This tentative plan provides that, after this year, the police training course shall extend over a four-year period, with examinations at the conclusion of each year's work. At the end of the third and fourth years, a general review will be held and at the conclusion of the fourth year certificates will be granted to all who complete the courses satisfactorily. The sub-committee also recommended that all police officers should receive annual training in pistol practice. The four schedules, which lay down the required subjects and hours for each, will be presented to the Advisory Council on Police Training in the fall.

TRAINING OF EXECUTIVE OFFICERS

There should be a definite line of demarcation between the training offered to administrative officers and men in the ranks of police and fire departments. Administrative officers have the function of determining policies and as a result their problems are very different from those of the men called upon to execute their commands. With this distinction in mind, it has been arranged, in coöperation with the respective state associations of chiefs, to hold institutes for police and fire chiefs. A committee from the Fire Chiefs' Association, in coöperation with the bureau of training and research, arranged the curriculum for their training institute. A committee from the Police Chiefs' Association likewise prepared the schedule for the police chiefs' institute.

The Fire Chiefs' Institute, meeting at Glens Falls on June 9, 10 and 11, provided lectures on the following subjects: Organization and administration of a fire department; equipment of a fire department; fire alarm systems; fire prevention and building inspection; ventilation; reducing fire hazards in buildings under construction; modern methods of fighting fire; and salvage.

On July 27, 28 and 29, in coöperation with the New York State Association of Chiefs of Police, an institute was held at the annual convention in Troy upon the following subjects: Organization and administration of a police department; qualifications of a police executive; police records; traffic regulation and control; criminal psychology; crime prevention. Certificates of attendance were presented to those enrolled at the institute.

GOOD INSTRUCTORS THE CRUX OF THE PROBLEM

The lecturers for both of these institutes were experts in their respective fields, selected from all parts of the country.

All of the training schools will continue to be intensely practical in character and their instructional staffs will be drawn from the ranks of experts and administrators. It is realized that the crux of the training school problem is the recruiting of corps of instructors who know their subjects and who can present them effectively. The bureau has begun a policy of calling instructors together prior to the opening of a school for the purpose of receiving suggestions on the most effective methods of presenting material. Experts from the state department of education are assisting in this work. The plan has been successfully inaugurated and will be extended to other schools wherever possible. Every effort has been made in the past to have instructors present material by the use of the blackboard or special charts and special emphasis has been placed on the methods of delivering lectures. With the new plan, material improvement in the instruction offered should result.

The entire training school program has been received to date with enthusiasm. Comments from those who have been students is ample evidence of the fact that we are on the right path. It is yet too early to make definite statements about the practical value of all of the schools. However, police and fire training schools, operating over the last three years, have been running long enough to provide definite results. A great number of favorable comments seem to indicate that the police and fire training schools have been worth the effort put into them and are showing practical benefits. For example, Mayor Charles D. Osborne, of Auburn, wrote recently:

> During the past year our police force has benefited greatly through the schools which we have established locally and the officers who went to the central schools have apparently grasped a more enlightened view of police work than would have been possible under the old methods.

Two municipalities have reported that the lives of children have been saved by local police officers as a result of training received in zone schools. Artificial respiration was applied, as taught in the school, and the children restored to consciousness. Examples of this sort might be continued. Certainly, we could say that to save the lives of two children would be more than worth the relatively small sum expended for the whole municipal training program. Five years from now we will be in a position properly to appraise the practical benefits of the more recent training schools.

It should be pointed out that in this pioneer work there are no precedents to guide the Conference. It is a new field, the extent of which must be explored by the Conference as the judgment of its officers and advisers dictates. When the training program is in full operation, training facilities will be available for over twelve thousand city and village officials. These training schools, in effect a municipal university, offer an opportunity to bring efficiency in municipal government in New York state to new heights.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC.,

Required by the Act of Congress of August 24, 1912,

Of NATIONAL MUNICIPAL REVIEW, published monthly at Concord, New Hampshire, for October 1, 1931.

STATE OF NEW YORK, COUNTY OF NEW YORK, SS.

Before me, a notary public, in and for the State and county aforesaid, personally appeared H. W. Dodds, who, having been duly sworn according to law, deposes and says that he is the editor of the NATIONAL MUNICIPAL REVIEW and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

Publisher, National Municipal League, 261 Broadway, New York, N. Y.
Editor, H. W. Dodds, 261 Broadway, New York, N. Y.
Managing Editor, None.
Business Managers, None.

2. That the owner is: The National Municipal Review is published by the National Municipal League, a voluntary association, incorporated in 1923. The officers of the National Municipal League are: Richard S. Childs, President; Carl H. Pforzheimer, Treasurer; Russell Forbes, Secretary.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

H. W. DODDS,
Editor.

Sworn to and subscribed before me this 16th day of September, 1931.

MARY DONOVAN (MONAGHAN),
Notary Public.
(My commission expires March 30, 1933.)

[SEAL]

RECENT BOOKS REVIEWED

The Magistrates' Courts of Philadelphia. By Spencer Ervin of the Philadelphia Bar. A survey report under the auspices of the Thomas Skelton Harrison Foundation, Philadelphia, 1931.

Justice, said Aristotle, is the primary bond of political society; but Aristotle did not live in the days of Wickersham reports and other such masochistic flayings of the public conscience, or he might have concluded that justice is one of the things that the *zoön politikon* cares least about. Mr. Spencer Ervin in his survey of the Magistrates' Courts of Philadelphia makes it abundantly plain that such is the case as respects petty justice in the city of Penrose and Vare. For upwards of a century "corrupt and contented" Philadelphia has been going through the motions of doing something about her disgraceful system of petty tribunals, with results approximating practically zero. Of the latest effort of reform, instigated in 1927 by the Crimes Survey Committee and the Law Association, Mr. Ervin says the net effect was "to give more pay and somewhat better facilities for doing a good job to men of the same type as those who for nearly a hundred years had been doing a poor job."

The whole tragic tale is told with particulars ample and vivid in Mr. Ervin's survey report—an American tragedy of the true story class. The villain in the piece is politics, and the burden of the recommendations, as in every judicial and crime survey ever made in this country, is to get the courts out of politics. But we do not and shall not heed these counsels, because there is no real passion for justice in the hearts of those who prate most about it. Politics, the arch-fiend of the narration, feeds out of the hand of Privilege; but the privileged classes, though they are strong for reforms of respectable odor, are not at all keen for fundamental changes in the social order which produces these filthy sores on the body politic.

Mr. Ervin does not say these things, but he piles up evidence which clearly points to such conclusions. This reviewer is not a Red, but he is obliged to confess that the reading of Mr. Ervin's calm and scientifically objective survey report has made him see red in some particulars. If this sort of literature were as widely read as some other sorts produced in Philadelphia, something after all might be done about it.

There is a highly useful index, an adequate table of references, and an interesting body of appendix material.

Chester C. Maxey.

Whitman College.

*

State Legislative Committees. By C. I. Winslow. Baltimore: Johns Hopkins Press, 1931. 157 pp. $1.50.

Out of intensive examination of bills, journals, proceedings, laws, veto messages, manuals, the author of this study has produced a worthwhile work in the field of legislation.

After a general discussion of the rules and composition of state legislative committees the study narrows down to an examination of the organization, procedure, work, and control of the legislative committees in Maryland and Pennsylvania.

In a final chapter an attempt is made to measure committee efficiency by objective tests and theoretical evaluations. Efficiency is judged in some measure by the following objective tests: first, repeals and amendments of recent legislation; secondly, governor's vetoes; third, duplicate bills; and fourth, referendum action.

As for the first objective test it was discovered that within three sessions the Pennsylvania legislature repeals 11.4 per cent of its enactments and the Maryland legislature .9 per cent. Within three sessions the Pennsylvania legislature amends 41.5 per cent of its laws and the Maryland legislature 11.6 per cent. The percentage of acts amended or repealed during three sessions is, therefore, 52.9 per cent for Pennsylvania and 12.5 per cent for Maryland. While the author allows for other contributing causes he arrives at the opinion that there is sufficient laxity in legislation to explain the wide spread in the two percentages.

Veto messages as a test of the efficiency of committees were analyzed from the standpoint of the reasons given for vetoes. Vetoes based on a difference of policy between the governor and legislature were eliminated so far as possible.

Vetoes were then classified as unnecessary, duplication, unconstitutional, inconsistent with another act of same session, formerly repealed or antedated, affecting a repealed or non-existent act, and vague—careless—ambiguous. In Pennsylvania 157 measures passed during the 1927 and 1929 sessions of the legislature were vetoed for those reasons and 78 in Maryland.

The theoretical evaluation was made by first setting up the functions of legislative committees and then determining to what extent the functions were performed. Four functions were established: To serve as a means of investigating special fields of proposed legislation; (2) To deliberate upon (more time being available than in the chamber itself) and give careful consideration to matters referred to it; (3) To permit the application of specialized knowledge so that proposed legislation may be in such a form as to accomplish the desired end and that the chamber may benefit by more or less expert advise; (4) Finally, to recommend action.

The results secured from the theoretical evaluation fall far short of those resulting from the objective.

EDWARD B. LOGAN.

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MUNICIPAL ACTIVITIES. Report of the Village of Allen Park, Michigan, 1928–1930. 44 pp.

Forty-four pages are taken by the Village of Allen Park to demonstrate that the activities of a municipality can be reported readably and intelligently within a limited compass. The demonstration is successful. To the reader of its pages is conveyed a sense of community life and of a village government sensitive to demands for orderly and planned improvement.

A discerning editorial judgment is manifest in the selection of the maps, three in number, and in composing the tables of which there are thirteen. Bulky financial statistics are summarily handled, simply by omission, except for the three wisely chosen tables of a balance sheet, statement of revenue and expenditure, and report of indebtedness. The other tables are brief text records needed to buttress the narrative. Although the two full page pictures are excellent, the editors neglect pictures as a means of rendering the report attractive.

Historical data of a certain piquant interest forms a preliminary section. The sketch is well done—but out of place in an annual report. Only commendation can be given to the section of a dozen pages tracing civic planning and related improvements. The subject is graphically treated by concrete projects and in relation to planning by Wayne County in which Allen Park is located. Reporters in other municipalities would do well to scan its pages.

The report of Allen Park acquires more than ordinary significance when it is realized that this village of something over 1,000 people turns out a creditable report as a matter of course, while municipalities, many times its size, often omit any report whatsoever.

WYLIE KILPATRICK.

✤

A CIVIC HISTORY OF KANSAS CITY, MISSOURI. By Roy Ellis, A.M. Springfield, Missouri: Elkins-Swyers Press, 1930. 243 pp. $1.75.

Written as a thesis for a Ph.D. in political science, this book is replete with footnotes and references and its readability is further impaired by poor typography. In the first three chapters, the author presents an historical background for the development of the social, industrial and civic institutions of the city.

Old inhabitants declare that much of the picture is drawn from sensational newspaper articles portraying exceptional and peculiar events and on the whole is amusing rather than accurate. For this reason the book was not accepted as a text for the Kansas City schools. However, the chapters dealing with the mechanics and organization of government, the history of the charters and the accounts of the departments of the city government are authentic and well presented.

The details of the public utility, law enforcement, public health, education and political conditions are presented with skill and sympathy; and are undoubtedly the most interesting part of this chronicle of a typical mid-western city.

MRS. VIRGIL LOEB.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Pavement and Street Improvement Costs.—California Taxpayers' Association, 1931. 8 pp. The research department spent months of exhaustive study and research to secure the material which is published as a reprint from the September number of *The Tax Digest.* The very significant conclusion is that "California property owners are paying enormous and unnecessary sums for patented pavements. . . . Investigation shows that patented pavements cost about 5 cents more per square foot than equal unpatented types, and it is also found that other items of improvement such as grading, curb and sidewalk, average considerably higher when combined with patented pavement." Important tables are included. (Apply to the California Taxpayers' Association, 775 Subway Terminal Building, Los Angeles, California. Price 15 cents.)

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The Action of Large Municipalities on Public Salaries and Wages.—Indianapolis Chamber of Commerce, 1931. 10 pp. The general rumor that many cities have been cutting salaries of public employees has been current since last winter. The Civic Affairs Department of the Indianapolis Chamber of Commerce has collected and published pertinent comments from 39 large cities as to what action has been taken or contemplated. In addition nine secretaries of state leagues of municipalities give summaries of the tendencies in their states. In the continued discussion of the subject this brief compilation is sufficiently comprehensive to be very valuable. (Apply to the Civic Affairs Department, Indianapolis Chamber of Commerce, Indianapolis, Indiana.)

⁂

Report on the Cost of Crime.—National Commission on Law Observance and Enforcement, Washington, D. C., 1931. 657 pp. Report number 12, under the direction of Goldthwaite H. Dorr and Sidney P. Simpson, discusses the various costs of crime and the losses related to it from the viewpoints of the various governmental units and private agencies. The authors acknowledge, as probably the most important section, that which deals with municipalities. It presents the results of studies in 300 cities over 25,000 in population and including all those over 200,000. By outlining a plan for the application of modern statistical methods and securing the coöperation of agencies throughout the country, accurate data were secured on the cost of criminal justice in American cities. In his introduction Mr. Wickersham gives "a sum substantially in excess of $247,000,000 each year" as the cost, in so far as it can be put into figures, of criminal justice in cities over 25,000 in the United States. The report points out the lines along which this study should be completed. Important bibliographical material is listed and discussed. Mr. Dorr and Mr. Simpson in summary recommend: (a) annual statistical records on crime and criminal cost, (b) the completion of the comparative study of municipal costs, (c) a scientific study of commercialized fraud; (d) one of racketeering and organized extortion, and (e) reducing the economic burden imposed on jurors and witnesses in criminal cases. Significantly, they close their report with the comment that the fundamental problem remains "the human engineering required in fighting the development of the criminal and in aggressively seeking his rehabilitation." (Apply to Superintendent of Documents, Washington, D. C. Price $1.10.)

⁂

Report on the Causes of Crime, Volume I.—National Commission on Law Observance and Enforcement, Washington, D. C., 1931. 390 pp. In section I, Morris Ploscowe gives a critical analysis of the literature on the causes of crime. Section II is a study on Work and Law Observance by Mary Van Kleeck, Emma A. Winslow, and Ira deA. Reid. Henry W. Anderson, who as a member of the commission was chairman of the committee on the causes of crime, believed that valuable reports not printed and important conferences and correspondence should not be overlooked. Therefore, in a special report printed in this volume he gives some of the more general conclusions and recommendations which were the result of his own study and his interpretation of the charge of the commission. (Apply to Superintendent of Documents, Washington, D. C. Price 80 cents.)

❦

Report on the Causes of Crime, Volume II.—National Commission on Law Observance and Enforcement, Washington, D. C., 1931. 401 pp. The commission here presents, under the authorship of Clifford R. Shaw and Henry D. McKay of the Behavior Research Fund in Chicago, the results of a number of social research studies in the field of juvenile delinquency, with data on the community, the play group and gang, and the family in the development of delinquent careers. (Apply to Superintendent of Documents, Washington, D. C. Price 85 cents.)

❦

Housing in Philadelphia, 1930.—Bernard J. Newman. Philadelphia Housing Association, 1931. 44 pp. Since 1906 this organization has devoted its efforts to improving the housing and sanitary conditions in the homes of the poor in Philadelphia. This is not only a specific report on the work of the Association in 1930 but describes the situation there as to the construction of new dwellings, the very high rate of absorption —92 per cent (especially notable in dwellings built after study of the price range still needed). Other factors dealt with include sheriff's sales, vacancies, rents, insanitation and public education. (Apply to Philadelphia Housing Association, 1600 Walnut Street, Philadelphia. Price 25 cents.)

❦

Manual of Police Records.—International Association of Chiefs of Police, Chicago, 1931. 37 pp. The Research Committee of the International City Managers' Association prepared a record system for the police department of Pasadena, California, in accordance with the principles set forth by the Uniform Crime Reporting Committee. The plan consists of record forms which have all been successfully used and may be adapted to cities between 25,000 and 150,000 in population. Material is included on a unified record system, reporting and controlling offenses known to police, reporting and controlling persons charged, property identification records, recording miscellaneous police services, personnel records, general administrative reports. (Apply to International Association of Chiefs of Police, 923 East 60th Street, Chicago.)

❦

Statistical Department of Municipal Court, Philadelphia.—Kate H. Claghorn. Thomas Skelton Harrison Foundation, Philadelphia, 1931. 123 pp. This is the ninth report published in the Foundation's court survey series. It considers the facts which should be gathered for court statistics, analyzes critically the present statistical work of the court, presents recommendations covering the preparation of statistics and annual reports for the several divisions of the court, and provides special forms for tables recommended for the juvenile and domestic relations divisions. Emphasis is placed on the fact that the statistical work of a court which deals with thirty or forty thousand cases in a year calls for trained personnel and careful organization and supervision. (Apply to Thomas Skelton Harrison Foundation, 311 South Juniper Street, Philadelphia.)

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Safety Code for Elevators, Dumbwaiters and Escalators.—American Standards Association, 1931. 173 pp. The Bureau of Standards, the American Institute of Architects and the American Society of Mechanical Engineers, sponsor a revision of their rules for the construction, inspection, maintenance and operation of elevators, dumbwaiters and escalators of various types and under various conditions. This revision covers new mechanical development and auxiliary devices, and emphasizes especially the needs of the tall buildings. (Apply to American Standards Association, 29 West 39th Street, New York City. Price $1.00.)

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Radburn—the Challenge of a New Town.—City Housing Corporation, New York City, 1931. 8 pp. Mr. Tracy B. Augur wrote these articles which have been reprinted from the *Michigan Municipal Review* for general distribution. With pictures and diagrams to illustrate the text Radburn is again described as the model garden community built for the new age within commuting distance of New York by a limited dividend company. (Apply to City Housing Corporation, 18 East 48th Street, New York City.)

❦

Manual of Street Sanitation Records as Installed in Kenosha, Wisconsin.—Committee on Uniform Street Sanitation Records, Chicago, 1931. 81 pp. Under the direction of the Committee, Kenosha has installed its model record system for street sanitation and other public works activities, covering budgeting, accounting, purchasing, central stores and cost accounting machinery. (Apply to Committee on Uniform Street Sanitation Records, 923 East 60th Street, Chicago.)

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE

Professor of Law, New York University

Indebtedness—Constitutional Limitations—Evasion by Purchase under Conditional Sales Contract.—The Supreme Court of Iowa in its recent decision in *Christensen* v. *Town of Kimballton*, 236 N. W. 406, holds that the town does not have the power to make purchases of equipment for a public utility plant to be paid for solely from the net revenue arising from its operation. The case involved the facts similar to those in *Johnson* v. *City of Stuart* (Iowa, 1929) 226 N. W. 164, which held that a purchase under a conditional sales contract with a pledge of net revenue as the sole source of payment was valid, as the obligation was not an indebtedness within the inhibition of the constitution. In the Christensen case, however, the question of the power of the city to enter into such a contract was directly raised and the court sustained the contention that the power must be expressly conferred. In thus deciding, the court follows its ruling in *Van Eaton* v. *Town of Sidney* (1930) 231 N. W. 475, 71 A. L. R. 820, which held that the town did not have the implied power to acquire an electric lighting plant by a mortgage thereon with a pledge of net revenues, the statute providing that the city could purchase such a plant by issuing bonds to pay for its cost.

In *Hight* v. *Harrisville* (reported U. S. Daily, September 4, 1931) the Supreme Court of Missouri condemned a similar contract by the city, which had already reached its constitutional limit of indebtedness. In this case, the new equipment was to be acquired by a conditional sales contract to be paid for exclusively from the revenue of the lighting plant and the city agreed to credit to the special fund the value at established rates of the current used for street lighting and in the water department. Here it was urged that no indebtedness was created because the obligation would never require a resort to taxation. But the record showed that the city had no funds available for such purpose and that they must come from taxation. The clause in the contract leaving it optional with the city whether to use any current for lighting the streets or pumping water was obviously a subterfuge. The court points out the fundamental rule that the law will always look through the form or labels of a contract to determine its true meaning and will "brush away the cobweb varnish" under which the nature of the transaction is disguised. Indebtedness in the sense used in the state constitutions means any obligation for the payment of which it may be necessary to resort directly or indirectly to taxation.

This matter of evading constitutional or statutory limitations upon municipal indebtedness by conditional sales contracts for the purchase of public utility equipment or of the plant itself with a pledge of the revenue to be realized from its operation presents in each case two separate and distinct questions; one as to whether the obligation assumed constitutes an indebtedness and second whether the device adopted is within the delegated power of the municipality. Much confusion results in discussing the decisions unless these two aspects of the problem are constantly kept in mind. If, as in the case of *Klein* v. *Louisville* (1928) 224 Ky. 624, 6 S. W. (2d) 1104, the obligation is directly authorized by the legislature and there are no constitutional limitations the only question left is to determine whether the obligation is an indebtedness within the statutory meaning. Where the limiting statute antedates the grant of authority, as in the Louisville case, the real question before the court is whether the subsequent statute *pro tanto* repeals the limitation. By accepted canons of construction, this necessarily will be the result. The question of whether the obligations authorized constitute an indebtedness within the statute limiting the amount that may be incurred, becomes important only in case the statute is enacted after the general or special grant of power.

In all these cases a general delegation of power to own and operate public utilities usually exists. Admitting that the obligation entered into will not impose any burden which directly or indirectly may have to be met by taxation, these grants of power usually specify the manner in which the enterprise is to be financed. A primary rule of construction of municipal powers is that such qualifications even if expressed in permissive words are mandatory and limit the power to act to the methods thus prescribed. The courts which have upheld the conditional contract purchases have all had to abandon this fundamental principle in order to sustain their decisions. If this departure from sound principles of statutory construction is consistently followed, it will break down the most important rule we have to guide us in determining the extent of municipal powers. It was the vision of this unfortunate outcome that led the Iowa courts to abandon the specious arguments of an implied authority accompanying every grant of a proprietary power to perform it other ways than those laid down by the legislative branch of the government. The contrary decisions in Utah, Nebraska and North Dakota [1] are based upon fallacious reasoning and should not be relied upon in other jurisdictions.

A cursory review of the decisions on this point referred to by Dr. Durisch in his interesting article in the August number of this REVIEW [2] leads to the conclusion that the only safe way for a municipality to escape the effect of a constitutional debt limitation in order to finance the purchase of a public utility plant, or equipment therefor, is either by a constitutional amendment expressly excepting such obligations from its purview or by statute providing for the creation of an overlapping municipal corporation to which the ownership and control of one or more public utilities will be transferred. The first method has been quite generally followed to enable cities to finance a supply of water. The second method, whereby a new municipal corporation is created with a clean slate as to indebtedness and full power of taxation is comparatively easy to follow wherever public sentiment throughout the state can be brought to its support. The only danger is the one the constitutional debt limitations were designed to obviate, the exhausting of credit by overburdening the sources of taxation, which may lead to a predicament similar to that in which the city of Chicago now finds itself.

If the purchase by conditional sales contract and pledge of revenue is expressly authorized by statute, it may be that technically no debt is created, but the contrary opinion of the Supreme Court of Missouri in *Hight* v. *Harrisville* seems to be unanswerable. Such also has been the conclusion of other able courts.[3] When we consider the purpose of the constitutional debt limitations and appreciate the contingent liabilities that may result from the city's default in carrying out its contract, the decisions supporting such contracts seem to be based upon an extremely narrow construction of the intent of the people as embodied in this fundamental law.

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Parking of Cars at Street Curb—Rights of Abutting Owners.—The standing of vehicles on streets and highways has long been of important public concern. The English courts early in the nineteenth century saw the necessity of restraining the stopping of a vehicle on the highway when this would interfere with the passing of the general public, either on foot or otherwise. Thus in 1812, in holding that the standing of stage coaches on the street for about three quarters of an hour was a nuisance, Lord Ellenborough said:

> Every unauthorized obstruction of a highway to the annoyance of the King's subjects is an indictable offense. . . . A stage coach may let down or take up passengers on the street, this being necessary for public convenience, but it must be done in a reasonable time, and private premises must be procured for the coach to stop in during the interval between the end of one journey and the commencement of another. No one can make a stableyard of the King's highway.[4]

The modern doctrine "that no one can make a private garage of the public street" has been reaffirmed in many recent cases, but the special right of the abutting owner has also been recognized. A traffic ordinance of the city of Chicago which absolutely prohibited the parking of any vehicles within the "loop" district between certain hours was held invalid as depriving the abutting owner of his right of reasonable access (*Haggenjos* v. *City of Chicago*, 336 Ill. 573, 168 N. E. 661).[5] An amended ordinance adopted in March, 1929 permitting the stopping of a vehicle in the same district for only three minutes when actually engaged in picking up or discharging passengers or thirty minutes loading or unloading commercial trucks, has recently been upheld by the Supreme Court of Illinois. In the case of *City of Chicago* v. *McKinley* reported in 176 N. E. 261, defendant's conviction for violation of this ordinance—he had parked his automobile for more than three minutes in the restricted area—was affirmed, and the regulations held reasonable. The court quotes with approval from *Cohen* v. *Mayor, etc. of New York,* 113 N. Y. 532, 21 N. E. 700:

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[1] *Barnes* v. *Lehi City* (Utah, 1929) 279 Pac. 878; *Carr* v. *Fenstermacher* (Neb., 1930) 228 N. W. 114; *Lang* v. *City of Cavalier* (N. D., 1930) 228 N. W. 819.

[2] "Municipal Indebtedness and the Financing of Publicly Owned Utilities," XX NAT. MUN. R. 460.

[3] *Schnell* v. *Rock Island* (1907) 232 Ill. 89, 83 N. E. 462; *Lesser* v. *Warren Borough* (1912) 237 Pa. 501, 85 Atl. 829.

[4] *Rex* v. *Cross*, 3 Campbell's Reports 224, 227.

[5] This decision was noted in Vol. XIX, No. 2, p. 106; February 1930 of this REVIEW.

> The primary use of a highway is for the purpose of permitting the passing and repassing of the public; and it is entitled to the unobstructed and uninterrupted use of the entire width of the highway for that purpose, under temporary exceptions as to deposits for building purposes, and to load and unload wagons, and receive and take away property for or in the interest of the owner of the adjoining premises.

The courts without exception support the principle that a municipality may by ordinance reasonably regulate the parking of private vehicles in certain areas for a prescribed time.[1]

Another important question pertains to the right of an abutting owner to enjoin as a nuisance the continued parking of vehicle in front of his premises, even though such parking be permitted by a local ordinance. The Appellate Division (Fourth Department) of the New York Supreme Court has recently held that an ordinance of the city of Rochester which prohibits parking in streets for more than six hours does not give a person a permit to park for that length of time —"a privilege is not given, a prohibition is announced."[2] The court in granting the injunction restraining the automobile owner from parking his car before plaintiff's premises day after day during all the hours permitted by the parking regulations held that the latter's easements of access, of light and air, and of the privilege of making observation as to goings-on in the street were unlawfully invaded by defendant's acts. In an able opinion by Justice Taylor the court states that if the right of abutting owners must be sacrificed for the convenience of automobile owners the relief must come from the legislature. The principle of this case applies *a fortiori* to the regulation of parking of vehicles operated for hire. The delegated power to regulate the privilege of using the highways for commercial purposes is necessarily limited by the special rights of abutting owners. Subject to this limitation the power of regulation is plenary.[3]

◆

Powers—Extension of Implied Powers of Counties.—In *Commonwealth* v. *Fayette County,* 39 S. W. (2d) 962, the Supreme Court of Kentucky holds that under the express authority conferred upon the county "to erect and keep in repair necessary public buildings," a county has authority to appropriate out of its general funds $10,000 "for the purpose of purchasing and operating a fire truck." It appears that counties in Kentucky are now authorized to provide buildings for airports, hospitals and memorials, and to appropriate county funds for the benefit of colleges and infirmaries located within their limits. Fayette is a populous county and its county buildings in and near Lexington house a large number of inmates whose safety requires adequate fire protection.

The court discusses and approves of the rule of strict construction of the powers of quasi municipal corporations, but holds that the extent of the powers to be implied from the grant of express powers should not be limited by the doctrine of inevitable necessity but rather by the test whether they reasonably tend to the proper execution of the powers expressly granted. The principle adopted is thus stated by the court:

> If the authority attempted to be exercised, though not expressly given by statutory or constitutional provisions, is one which under the prevailing conditions at the time it is proposed to be exercised, may be employed by the one whose duty it is to carry out the expressly conferred authority in the exercise of a sound discretion as a means of executing that authority, then the attempted action will be approved and upheld; otherwise it will be disapproved and the right to so proceed will be denied.

The decision properly recognizes new conditions as affecting the application of the doctrine of implied powers. It has never been seriously questioned that a county has the implied power to insure its buildings and that it is under the duty to protect its property and wards from fire. With the expansion of its functions and the increase in the number and value of its buildings, the reasonable means of protection may well come to include the installation of modern fire equipment.

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[1] *Pugh* v. *City of Des Moines* (1916) 176 Iowa 593, 156 N. W. 892, L. R. A. 1917F, 345; *Taylor* v. *Roberts* (1922) 84 Fla. 654, 94 So. 874; *Re Covey* (1926) 220 Mo. App. 602, 287 S. W. 879; *Welsh* v. *Town of Morristown* (1923) 98 N. J. L. 630, 121 Atl. 697 (aff'd in [1924] 99 N. J. L. 528, 124 Atl. 926); *Commonwealth* v. *Rice* (1927) 261 Mass. 340, 158 N. E. 797, 55 A. L. R. 1128; *Village of Wonewoc* v. *Taubert* (1930) 203 Wis. 73, 233 N. W. 755, 72 A. L. R. 224.

[2] *Decker* v. *Goddard*, 233 App. Div. 139, 251 N. Y. S. 440. Accord: *Lowell* v. *Pendelton Auto Co.* (1927) 123 Ore. 383, 261 Pac. 137. See, also, *Allen & Reed, Inc.* v. *Presbrey* (1929) 50 R. I. 53, 144 Atl. 888.

[3] *Montgomery* v. *Parker* (1897) 114 Ala. 118, 21 So. 452; *Willard Hotel Co.* v. *District of Columbia* (1924) 23 App. D. C. 272; *Park Hotel Co.* v. *Ketchum* (1924) 184 Wis. 182, 199 N. W. 219.

✠

General Laws—Application of Constitutional Provision to Disannexation of Agricultural Lands.—The Supreme Court of Wisconsin in the case of *In re Christoph,* 237 N. W. 134, holds unconstitutional a statute of 1929, giving the right to owners of agricultural lands of 200 acres within the limits of any city of the fourth class by petition to the circuit court to have the lands detached from the city. In another recent case arising in Minnesota, *Petition of Clinton Falls Nursery Co.*, 236 N. W. 195, the Supreme Court of Minnesota holds that a statute of 1927, providing for the detachment from cities with 10,000 inhabitants or less of unplatted agricultural tracts of forty acres upon petition of the owners or of contiguous agricultural tracts of 200 acres upon petition of the owners of 75 per cent thereof to be constitutional. Another section of the act limited its application to cities which are shown to have within their boundaries at least 8,000 acres devoted exclusively to agriculture.

The difference in the construction which the two courts put upon the constitutional provision requiring general laws relating to municipal corporations rests upon a difference in the emphasis given to similar situations. The Wisconsin court can see no proper basis for classification of agricultural lands in cities of the fourth class which would not be equally applicable to larger cities. The Minnesota courts see no arbitrary discrimination in making the statute applicable to the smaller cities where the inclusion of a large area of agricultural lands may work a special hardship. As a practical matter the line has to be drawn somewhere and the legislature is more competent to fix the boundary than are the courts. In the Christoph case, Justice Owen wrote a strong dissenting opinion, concurred in by Justices Fritz and Wickhem. The peculiarly strict construction put upon the requirement of general laws in the constitution of Wisconsin for the incorporation of cities, towns and villages and the amendment of their charters is fortified by the further constitutional provision (Art. IV. §32) that "all such laws shall be uniform throughout the state," a mandate that has been interpreted to deprive the legislature of the more liberal powers of classification which is upheld in a majority of the states.

✠

Municipal Aid to Housing Projects—Home Rule Powers of New Jersey Cities.—In *Simon* v. *O'Toole, City Clerk,* 155 Atl. 449, a taxpayers' action was brought to test the validity of an ordinance adopted by the commissioners of Newark, which authorized the execution of a contract with the Prudential Life Insurance Company whereby, in consideration of the latter's purchase of two city blocks and the erection thereon of model tenements the city would undertake to take over a strip 140 feet wide in the middle of the blocks so acquired at the price paid by the company to be maintained as a public park and playground. The supreme court held that the ordinance was within the general powers of the city; that the expenditures authorized were for a public purpose and not to aid a private enterprise; and that the price to be paid by the city, which in no event was to exceed $1,200,000 was not an abuse of the discretion of the commission.

The opinion of the court deals in the main with the question whether the establishment of playgrounds and sanitary housing are public purposes for which a city may exercise its taxing power. The affirmative answer seems self-evident. So far as housing is concerned the statute of 1929 (Comp. Stat. Supp. §§ 136–3771B [1] *et seq.*) empowering cities to condemn and transfer lands to insurance companies which will undertake housing projects, fully indicates the legislative intent. But whether a city under a general delegation of power to promote these public purposes with special authority to assist private enterprises in a specific manner may contract with a private corporation to purchase lands adjacent to the proposed improvement and to establish and maintain a park thereon presents a more difficult question. In the instant case, the facts may show that the community will realize full value for the moneys expended, but that fact should not be decisive where the method of exercise of delegated power is in question. With due deference to the learned court, it seems extremely doubtful that without a more express legislative delegation than that contained in the so-called Home Rule Act of 1917, the higher courts will accept the conclusion of the supreme court that the city may enter into a binding contract to establish and maintain parks and playgrounds in consideration of real estate improvements to be erected and controlled by a private company.

✣

Control of State Commission over Rates of Municipally Owned Public Utilities.—In *City of Logansport* v. *Public Service Commission,* decided July 1, 1931, 177 N. E. 249, the Supreme Court of Indiana upholds the statute of that state which expressly confers upon the public service commission the same control over the rates to be charged by municipally owned utilities as those of private companies. The opinion of the court contains an extensive review of the authoritative decisions upon rate regulations of local utilities and adopts the view which is generally accepted that the municipally owned utility may be subjected to the same control as one privately owned.

The action was brought to enjoin a reduction of schedule rates which had been ordered by the commission. The court holds that the usual rules apply to the fixing of a reasonable return upon the investment. As to the exemption of the plant from taxation, the city contended that it was entitled to charge rates that would yield a sum sufficient to compensate it for taxes that would be paid if the plant were privately owned. In refusing to uphold this contention, the court says:

> A city by its citizens and taxpayers in deciding to operate a utility must have in mind, not only the advantages gained thereby, such as the elimination of official salaries, the power to finance its project at advantageous interest rates, etc., but also the provision of the law which exempts the property of a city from taxation. Taxes not being actually levied and paid, they should not be included as a cost of service.

✣

Torts—Effect of Assumption of the Control of Highways by the State Upon Local Liability.—The question whether the resumption by the state of full control over the construction and operation of streets and highways previously committed to cities or towns will relieve the latter from common law or statutory liability in connection therewith will doubtless soon be raised in many cases. In the *Strickfaden* v. *Green Creek Highway District* case (1926) 42 Idaho 738, 248 Pac. 456, the Supreme Court of Idaho held that the transfer of full municipal powers over streets to special districts carried over to the latter the common law duty of reasonable care and consequent liability for negligence. As the liability in tort of subordinate agencies at common law and usually by statute is founded upon the delegation of full and adequate powers over streets or highways, statutes taking away such powers imply an intention to repeal the liability based thereon.

In *Child* v. *Greene, Treasurer of the Town of Warren,* 155 Atl. 664, recently decided by the Supreme Court of Rhode Island, the plaintiff suffered injuries due to a defective sidewalk along a street that had been adopted as part of the highway system. The question in issue, therefore, was whether the town was still under the duty to keep the sidewalk in repair. In *Pooler* v. *Burton, Town Treasurer* (1917) 40 R. I. 249, 100 Atl. 465, the court had held that the assumption by the state of a rural highway impliedly relieved the town from any duty to care for the untraveled as well as the traveled portion. But in the instant case the court found the implication negatived by a provision of the highway law which left with the town boards the power to construct sidewalks along state roads by special assessment with the approval of the state highway board. While the statute further provided that such construction should not oust the state of full jurisdiction over the sidewalks along state roads, the court held that the statutory liability of the town for defects in the sidewalks remained unimpaired. A dissenting opinion was written by Mr. Justice Sweeney.

✣

Torts—Notice of Injury as Prerequisite to Right of Action.—In *Thomann* v. *Rochester,* 256 N. Y. 165, 176 N. E. 129, the Court of Appeals sustained a drastic provision of the charter of the city limiting the right to damages in legal or equitable actions to those accruing within thirty days before notice in writing of the injury duly communicated to the common council and corporation counsel. The action was based upon a continuing trespass to the property of the plaintiff, caused by the maintenance of a garbage dump, and prayed for an injunction and damages from the time the nuisances began to the date of the decree. The court affirmed a judgment for an injunction and also sustained the charter limitation upon the recovery of damages. The appellate division had reversed the trial court on the latter issue, holding that the provision of the city charter was not intended to apply to a cause of action for a continuing nuisance and that the result of so extending it would be an unconstitutional impairment of vested rights.

The decision of the court thus asserts a plenary control of the legislature over all actions against a municipal corporation for damages, whether in law or equity. This power is limited only by the constitutional provisions against the taking, and in some states the damaging of property without compensation, which includes the abolition of a remedy after the right of action has accrued. (*Ettor* v. *Tacoma* [1913] 228 U. S. 148.)

Whether another provision of the same section of the charter to the effect that no action can be brought "until three months have elapsed after presentation of the claim to the common council" should be adjudged valid was left undecided by the court because not directly in issue. Judge Hubbs in a dissenting opinion maintained that this provision was invalid because under the constitution the "supreme court is continued with general jurisdiction in law and equity," a jurisdiction with which the charter provisions in question conflict, and that its invalidity rendered the entire section void.

Legislative acts requiring notice of injury before bringing action have been construed in some states to be applicable only to injuries occurring in the performance of governmental duties (*Cook* v. *City of Beatrice* [1926] 114 Neb. 305, 207 N. W. 518; *Borski* v. *Wakefield* [1927] 239 Mich. 656, 215 N. W. 19). In general such statutes have been very liberally construed when the injury arose in the performance of proprietary functions. Such courts construe the statute as mainly designed to protect municipalities against surprise and not to require a vain act where the city is fully apprised of the injury, especially where the city authorities to whom notice is to be given commit the overt act causing the injury. Upon this ground the appellate division held the clause in question inapplicable to the facts of the case, stating that creation and maintenance import knowledge and notice becomes supernecessary (s.c. 230 App. Div. 612, 615). In other jurisdictions as in Minnesota and Washington the statute has been held not to apply to claims of employees of the city. (*Gaughan* v. *St. Paul* [1912] 119 Minn. 63, 137 N. W. 199; *Wolpers* v. *Spokane* [1912] 66 Wash. 633, 120 Pac. 113).

The decisions cited in the last paragraph all had to do with the construction of general statutes. The provision before the court in the instant case was a special clause in a home rule charter. It raises the question, evidently not brought up by counsel or considered by the court, as to whether a home rule city by charter amendment may determine its liability for delictual acts. Where this question has been raised, the decision has been against the existence of the power (*Green* v. *Amarillo* [Tex. Civ. App., 1922] 244 S. W. 241). The New York Court of Appeals has itself recently intimated that the administration of justice and the procedure of the court do not fall within the scope of home rule powers (*Adler* v. *Deegan* [1929] 251 N. Y. 467, 167 N. E. 705). To hold that even as to claims against a city judicial procedure may be the subject of local legislation seems to do violence to the principles underlying the whole theory of the relations of home rule cities to the state.

While the provision of the state constitution (Art. VIII, § 3) providing that "all corporations shall have the right to sue and shall be subject to be sued in all courts in like cases as national persons" does not deprive the legislature of power to limit the right of action against municipal corporations, it would seem that the home rule amendment giving cities power to frame their own charters in matters relating to their property, affairs or government did not contemplate that they were to have the power formerly accorded to the legislature to modify the existing state law as to the remedies open to those aggrieved by the invasion of their property rights. It may be that this power falls within the twilight zone where state and municipal affairs overlap, and where the city may act in the absence of action by the legislature. If this be so, the legislature should enact a general statute covering the entire field and making uniform the restrictions placed upon remedies to be enforced against municipalities.

PUBLIC UTILITIES

EDITED BY JOHN BAUER

Director, American Public Utilities Bureau

Haphazard Commutation Rates.—A concrete example of haphazard development of railroad rates, especially as regards commutation, has come to light in the New York Central case before the New York commissions. The railroad filed new schedules on November 28, 1930, calling for a horizontal 40 per cent increase in commutation fares between New York City and all points north. The commissions suspended the proposed rates and instituted hearings in accordance with the regulations prescribed by statute.

The opponents to the increase embraced all the Westchester communities affected, and several civic associations. These employed experts, who analyzed the facts and figures submitted by the railroad, and as a result of this analysis the witnesses for the carrier were subjected to severe cross-examination. The direct and cross-examination were reduced to over 3400 typewritten pages by the official reporter. But when the entire case for the railroad had been completed, a motion was made to dismiss for lack of proof. The Central and the opponents submitted briefs pro and con.

On July 9, the commissions decided, first, that as the case stood, the carrier failed in its burden of proof imposed upon it by statute; and, second, that instead of dismissing the case, and thus compelling the railroad to start *de novo*, it would give the road a chance to submit additional evidence. The Central is now preparing to come back with new data to justify the proposed 40 per cent increase.

It is not our intention in this note to discuss the various points involved in the case, but rather to show how well this case illustrated the fact that railroad rates for a particular service have developed, and have continued to date, in a haphazard fashion, without much regard to cost of the particular service.

The Central runs trains out of New York City in three divisions. Its main division, the Hudson, runs to Albany and points west, its Harlem Division extends to Chatham, while the Putnam Division covers territory between the former two, and extends to Brewster.

The railroad carries several classes of passengers at varying rates. It has one way and round-trip passengers, both suburban and through, paying usually 3.6 cents per mile. Then come the monthly commutation tickets, the charges varying inversely per mile with distance from the Grand Central Terminal. That is, the further a given point is from the Terminal, the lower the monthly charge per mile. Then there are school tickets, permitting twenty-six trips a month at a lower rate than that for commuters, and, finally, 50-trip family tickets, which allow one ticket to be used by any member of a household up to 50-trips within a year. Their rate is somewhere in between the regular rate and the commutation rate.

In addition to the above, there are so-called way commuters and way school passengers who do not come to New York, but who obtain lower fare tickets between points on the line up to 50 miles distance.

The proposed schedules called for a 40 per cent increase in fares for monthly commutation, school and family tickets between New York City as far north as Rhinecliff on its Hudson Division, a distance of 88 miles; all of the Harlem Division, approximately 100 miles; and all of the Putnam Division, almost 60 miles from New York. With a few exceptions, they left the cut fares between points outside New York, the so-called way tickets, undisturbed.

To prove that the proposed increases are justified, it was necessary to show the revenues from these cut rate passengers and the costs attributable to them. As to revenues from ticket sales, they are shown on the books according to the class of tickets sold during a given period. There remained only the crediting of a proper share of incidental revenues from station concessions along the road.

The main difficulty arose in the attempt to show the cost of this traffic. The same road, stations and trains are available alike to all classes of passengers. But the road did not have in its possession figures that would show to what extent the various classes of passengers actually did avail themselves of the facilities. It did not know even the actual mileage traveled in a given period by any class of passengers, and especially by the cut-rate passengers. It had no data as to what facilities the commuters used in their daily travels, or even how many rides they took monthly, much less the costs that were directly caused by the commuters. But it had to evolve some basis for the allocation of costs between the passengers whose fares were proposed to be increased, and the others.

We shall not attempt to give a detailed description of the methods used by the railroad to segregate the costs. For the purpose of this discussion it is sufficient to explain the course followed in general.

A special analysis of train sheets was made for one month, which showed the number of cars and locomotives, equipment units, traveling between points, or in zones, into which the so-called commutation territory, referred to above, was subdivided. Then, for each train leaving or arriving at the Grand Central Terminal, a count was made of the passengers boarding the train at any point within the territory, which count segregated the three classes whose fares were proposed to be increased on the one hand, and the other passengers on the other. The former were classed together as commuters, but really consisted of the monthly commuters, the 50-trip family, and school ticket riders. A ratio was established for each train between commuters and others, on the basis of which the equipment units in the train were divided.

The number of equipment units were then multiplied by the mileage they traveled, and, in general, the costs were apportioned on the relative equipment miles assigned to commuters. In this manner the New York Central determined that operating expenses, taxes and return chargeable to the cut-rate passengers, or so-called commuters, amounted to about $10,000,000, while the revenues credited to them totaled $6,000,000, of which only $4,700,000 were received from ticket sales. Thus, they were entitled to about 85 per cent increase in commutation rates, but they were willing to be satisfied with a 40 per cent increase.

It should be noted that in all this proof, there was not a particle of evidence as to how much it costs to carry a commuter between any two given points, or per mile, or as to how many miles they were carried. The basis of allocation rested on the number of commuters on each train, regardless of origin or destination. No actual passenger miles whatever were considered at any point in the calculation.

The witnesses for the railroad admitted on cross-examination that nowhere in the record is to be found any relation between rates charged from New York to other points and the cost of carrying commuters along given distances. The existing rates had been established basically about a quarter of a century ago, and later increased horizontally, without regard to cost of service.

The business was developed as a by-product of the regular traffic, and the original rates were fixed at a low level to encourage the development of the traffic. Now that the business has developed on a large scale within the suburban territory, the question arises whether the original promotional view as to rates shall be continued, or whether the commuters shall be saddled with costs that are due to the general business and have heretofore been borne by the other traffic. When promotional rates have actually promoted, can the rates then be fairly shifted to a basis which, if applied originally, would have prevented the development of the business?

In view of these questions and the uncertain data as to allocation, the New York commissions deemed it unnecessary to call upon the opponents to put in an affirmative case. They agreed wholly with them that the carrier failed to establish even a *prima facie* case.

◆

Increase in Freight Rates Urged by the Railroads.—In these days of falling prices and retrenchment, the railroads have taken concerted action by making formal application to the interstate commerce commission for permission to increase freight rates 15 per cent. As was to be expected, the proposal was met immediately with a storm of protest from various groups and sections of the country. The interstate commerce commission recognized the importance of the matter by extending an invitation to state utility commissions to participate in the proceedings. The hearings are now under way.

A glance at the financial pages of any current newspaper can hardly fail to disclose the poor showing in net earnings of our railroads. Almost every month this year these earnings have shown a decline of about one-third from the net of 1930, which in turn compared unfavorably with the net earnings of the flush period of 1929.

But an analysis shows that a still greater loss occurred in gross revenues from both passenger and freight. The plight of the roads, therefore, consists in loss of business. Less passengers travel, and less freight is carried—a condition inevitably resulting from the extreme business depression we are now experiencing.

As in all other businesses, and especially those having comparatively extensive physical plants, losses in revenues cannot be compensated by proportionate retrenchment in maintenance of the property and in fixed charges. The result is that profits decline. This is true of steel, automobile, and similar industries as well as the railroads.

But have the unregulated industries attempted to raise prices, and make those who do buy yield the profit lost from the failure of others to come into the market? Rather has the tendency been the reverse. Manufacturers and business men generally have been lowering prices to induce greater consumption.

The plea is made, however, that it is not fair to compare a public utility like the railroads with private industries. The roads are absolutely essential to all other businesses. They are not allowed to charge all the traffic can bear in times of prosperity. It is, therefore, fair to readjust rates upward when business declines, so that they will continue to earn a modest income.

This argument seems reasonable; but upon closer scrutiny, its implications take away a good deal of its seeming simplicity.

In effect the reasoning advanced in this plea amounts to urging a government guarantee of railroad profits. For, certainly, no one would advocate an increase in rates if he were convinced that the higher charges would drive away business still more, and the net earnings would not show improvement.

But if the government is to guarantee profits, regardless of the amount of railroad business, or of the general business conditions, why should it not have a voice in railroad management? Why should not the interstate commerce commission have power to order consolidations, doing away with obsolete or duplicate facilities, waste in financial organization, and other evils that still inhere in large sections of our railroad systems?

This consideration opens up the wider aspect of the railroad problem. The railroads have been losing passengers and freight, although not so precipitously, for a number of years prior to the depression. Automobiles, buses and trucks are gaining more and more ground in the field of transportation. All agree that in certain sections and for certain purposes this newer mode of transportation is far more convenient and suitable than the railroads. Likewise, all are bound to admit that the transportation business of the country could not be served without the major portion of the existing railroads.

We are, therefore, confronted with the problem of proper coördination of the old and the new facilities. From the larger point of view of the public interest, our aim should be not to stifle progress, nor to cripple the railroads, but to coordinate all means of transportation, so that they will best serve the needs of the public. Here, again, we have witnessed only sporadic attempts, at best, on the part of the roads to cope with the problem. Leaving it for them to solve voluntarily has not resulted in the slightest advantage and with the passage of time its solution will become more difficult.

It seems to us that the application for permission to increase freight charges now before the interstate commerce commission, could well be made the occasion for throwing out these fundamental questions. In so far as the railroads suffer from loss of traffic because of the general decline in business, they are probably better off than the average industry; an increase in rates will only deprive many of the railway service without benefiting appreciably the railroads themselves. On the other hand, so far as they are suffering from a gradual and permanent loss of business, due to a widening use of newer facilities, no rate tinkering, by itself, could possibly improve their condition. The interest of railroad security holders as well as that of the general public, would be served best by going to the roots of the railroad problems, and by launching constructive measures for improvement. This involves nation-wide consideration of traffic needs, the consolidation of existing railroads on the basis of national needs instead of system rivalries and speculative pyramiding of capitalization and control, and the elimination of all duplications in organization and of all unnecessary facilities and processes. This job should precede any wholesale increase in rates proposed without regard to effect on business or the vast amount of unnecessary costs involved in the antiquated form of organization.

◆

South Carolina Investigates Electric Rates.—In line with similar action by other states, the legislature of South Carolina empowered the governor to appoint a committee to investigate the electric power and light situation. It appropriated a sum of $50,000, which is to be used largely for expert services, because the members of the committee themselves are limited to a per diem of $15 for days actually engaged in the service.

The governor promptly appointed a committee of five, with Tom B. Pearce as chairman. The other members are C. W. Coker, vice-chairman, B. H. Peace, H. Clugh Purdy, and E. P. Vandiver, all well known citizens and actively interested in utility problems.

The committee appointed William J. Cormack, executive secretary, and Major Arthur R. Wellwood, chief engineer. The latter is immediately in charge of the investigation for which he is especially suited, because of his extensive experience as an electrical engineer, and especially because of his intimate acquaintance, acquired at first hand, with the power resources and plants in South Carolina. He was engineer in charge of the huge Saluda Dam hydro-electric project.

While the bill creating the committee specifically charges it with "power of investigating rates charged consumers of electric current, and whether or not public utilities and power companies are receiving more than a fair, equitable and reasonable income upon its or their investment," it supplements the above by a more general clause, empowering the committee "to make such further investigation as may in their judgment be necessary, so that a fair, equitable and reasonable rate, or rates, shall be set up by the railroad commission for the consumers of electric current to pay for same."

The South Carolina Power Rate Investigating Committee, under the guidance of Major Wellwood, has tentatively outlined the major objects as follows:

1. Investigation into power and domestic electric rates to determine their fairness and uniformity.
2. Investigation of the capital structures of the electrical companies.
3. Determination of the connection between the power generating companies and their distributing agents.
4. A physical valuation of the properties.
5. Analysis of the existing regulatory laws to determine their effectiveness.
6. A determination as to whether taxes imposed by the state and its political subdivisions upon such utilities are excessive or reasonable.
7. A comparison of the amount of current generated in the state and the amount consumed.
8. Investigation of secondary and dump power to determine whether such power is ever cut off or interrupted merely to discourage its use.
9. Consideration of the extent and possibilities of rural electrification.

This is rather a large program for a committee which has been organized last July and which is to submit a complete report by the middle of January. But its members, and the staff under the leadership of Major Wellwood, have set to work to do as complete a job as possible within the limits of time and means allowed them. The important results of this investigation will be reported in due course in this Department.

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Public Ownership Conference.—The Public Ownership League conducted a conference at Los Angeles, California, from September 28 to October 1, inclusive. A report of the conference will appear in a later issue by the editor of this Department, who was invited to address the group on "Taking Stock of Regulation."

NOTES AND COMMENT ON MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER

Director, Virginia Bureau of Public Administration

A New Rôle for the German Municipal League.—This department some months ago carried a brief discussion of the agitation in Germany and particularly in Prussia concerning the implications of the Emergency Order of September 30, 1930. One of the stipulations of this *Notverordnung* was that if the municipalities were not able by March 31, 1931, to provide evidence of adequate fiscal coördination and control, apart from the general revisory powers of the superior authorities, which due to the extreme degree of administrative decentralization existing throughout the *Reich* are virtually impossible of adequate enforcement, the government would itself take whatever steps it considered necessary to enforce a sound régime of municipal financial administration. The obvious conclusion seemed to be that this control would take the form of the *staatskommissar.* This device has been in fact utilized in certain particularly acute situations in German local government.

The generally precarious condition of municipal finance has made it apparent at the same time that any use of the *staatskommissar* principle commensurate with the necessities of financial retrenchment effectively would abrogate even the vestiges of local self-government in Germany. There has been also considerable question of the constitutionality of the *staatskommissar.*

In this crisis the German Municipal League, which was also described briefly in these columns some months ago, has come to the forefront of municipal affairs in a manner the spectacularity of which is unparalleled in recent local government history, and is probably the most important single event in German local government since the genial Baron von Stein gave the Prussian municipalities their liberty.

The federal organization of the German Municipal League, according to *L'Administration Locale* for June last, has enabled it to conduct with great expediency the negotiations essential to the completion of a plan of extra-official financial control. This work has been carried on very largely through representatives of the state municipal leagues and the provincial municipal leagues, and upon the basis of these negotiations the following important machinery of supervision and control has been agreed upon:

The finance officials of the municipalities themselves constitute in the first instance the basic level of financial control.[1] In general the power of intervention established by the state and provincial leagues is analogous to what would have been the powers of the *staatskommissar* under the Emergency Order. However, the control officers both of first and higher instance are charted with supervising not only the current financial operations of the municipalities but also in large and medium sized cities the municipal trading ventures. Discretionary authority providing for a considerably more elastic control than would have been possible by direct central supervision and administration is given to the control offices organized by the *Städtetag.*

On the other hand these officers are charged with the duty of seeing that all financial activities are conducted in accordance with the prescriptions of the appropriate administrative organs. In the event that the local agencies of control exhibit an inability to deal with local conditions they may be superseded by superior authorities and their functions performed by these authorities until the machinery of financial control is satisfactorily reorganized.

The control of municipal trading is a problem that has occasioned particular difficulty, and the agency which has been created to deal with the intricacies of its finance in the period of crisis is peculiarly interesting. The officials of the *Städtetag* were in agreement that this supervision should take the form of commercial societies composed of technicians qualified to deal with the individual types of municipal trading rather than to integrate the control of such enterprises with any general scheme of fiscal supervision. In this manner it is thought to be possible to establish a system of charges which the traffic will be able to bear and which will at the same time be consistent with the public service policies of the different municipalities and which may be adapted to procure results satisfactory to these varying conditions.

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[1] Thus the Städtetag plan involves controlling only the local financial officer, as against the government's plan of controlling also the various functional affairs.

For the completion of the scheme of control the *Städtetag* has created a society in which it officially participates conjointly with the municipal trading enterprises, such as gas, water and electricity as well as rapid transit. This society is called the *Wirtschaftsberatung deutscher Städte Versorgungs-und Verkehrsunternehmungen A. G.*, and is, as the title indicates, a central consultative office for the economic affairs of German municipalities, public works, and transit. This society is not contemplated actually to enter into the administration of public utilities, but will act primarily as a technical advisory agency. The president of the administrative council of the society is Dr. Mulert, president of the *Städtetag*, assisted by Dr. Schmidt, director of the Berlin gas supply, and Dr. Elsas, vice-president of the *Städtetag*.

Machinery which it is thought that the state and provincial leagues will set up is in every way analogous as to its methods of operation to an official central office. It has of course no official standing and must rely for the force of its edicts upon the coöperation of the municipalities and the dignity of the organization of which it is an instrument. It is in brief a bi-lateral agreement between the government and the Municipal League, in which the latter guarantees the enforcement of the Emergency Finance Decrees of the central government. It is of perhaps more than ordinary significance that in such a period of crisis the government should prefer to utilize this extra-official method as against direct government action which would violate a long tradition of local independence in a country distinguished for its excellent local administration. It is significant also as an indication of the increasingly important rôle which organizations outside the government proper are coming to play in the administration of public affairs in Germany.

The Municipal League, while not in any sense a trade union of municipal officials, is, in fact, a general organization in which all of the separate unions of bürgermeisters, finance officers, engineers, etc., have a common meeting place. Because of the preëminent rôle which it has assumed in the elevation of public administration and the able leadership in which it has been peculiarly fortunate, it has gained a dignity in public affairs the full extent of which this recent action is only nominally indicative. The new rôle in which the German Municipal League has been cast will be observed in local government circles throughout the world with the greatest interest, not only as a unique innovation in state-municipal relations, but also as a magnificent attempt to conserve a tradition which has gained universal acceptance in local government.

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Motor Parking in Belfast.—In response to an inquiry addressed to Sir R. Meyer, Town Clerk of the Corporation of Belfast relating to charges for the parking of vehicles in certain public streets within the limits of the municipality the following memorandum, prepared by the departmental officer, has been received:

"Towards the latter end of the year 1928 the growth of general vehicular traffic in the city, and the consequent congestion incurred, made it a matter of prime necessity that a car parking scheme should be devised for the benefit of the public generally. The Road Improvement Act (Northern Ireland) 1928 in one of the clauses furnished the necessary legal machinery for this purpose. The Belfast Corporation Police Committee instructed their executive officer to prepare a scheme for submission to the council for approval and adoption. The car parks eventually chosen were 'sited' having due regard to the convenience of the shopping public, and the already existing regulations governing traffic generally within the city boundaries. Parking facilities were arranged in twenty-eight streets in or near the city centre—the furthest away being not more than 500 yards distant—and accommodation for some 500 cars was provided. These stands consisted of day parks and night parks. The act gave powers to the local authority to erect a central garage as an alternative to the street parking scheme.

"By the adoption of the central garage plan the corporation could have had power to levy a nominal charge for parking but no authority could be given the corporation for street parking charges. The control of the parks was handed over by the corporation to the British Legion of ex-Servicemen but with the stipulation that none but disabled ex-servicemen should act in the capacity of car park attendant.

"A nominal charge of 6d per vehicle is made by the British Legion and this entitles the ticket holder to remain for two hours on a day park and for three hours on a night park. It may be mentioned, however, that this contribution is purely voluntary but it would be superfluous to add that there is not any disinclination on the part of the motoring public to support so worthy a cause.

"By-laws made by the Belfast Corporation, and approved of by the Northern Ireland Government, are rigidly enforced. Any irregularities or infringements concerning the conduct of motorists on the parks are reported by the attendants to the local police who take action when necessary. The Belfast Corporation has issued a brochure giving a list of all parks together with a colored map showing conventional signs for the convenience of all concerned.

"The cost of administration by the British Legion is practically negligible as all money received by them, through their attendants, is pooled and paid to the latter in the form of a weekly wage, and some 60 disabled ex-servicemen are employed in this capacity."

It seems probable that in most American cities this plan might be adopted and the revenues accruing from such charges paid directly into the treasury of the municipality. It might be expected of course that it would be resisted by the proprietors of garages and parking stations. In general, however, the effect would not be appreciably different from present regulations restricting time parking in downtown areas and would, if attended by regulations prohibiting all-day parking on "unsited" adjacent streets, serve to force the all-day parker to place his machine in such private parking stations or in some other way to remove it from the public thoroughfare.

The experience of the city of Belfast does not provide any adequate information as to what a legitimate cost of administration in relation to the total revenues might be expected to be. Naturally the personnel costs would be rather high and it is problematical whether, except as an unemployment relief measure, the venture is economically sound. Considered, however, as a relief measure the plan seems to be one which many American municipalities might well adopt as a method both of enforcing the spirit of existing parking regulations and of affording financial aid to otherwise unemployed persons.

Inasmuch as these attendants would act in the capacity of car-watchers it is believed that a mandatory charge perhaps would be unnecessary if it is felt undesirable or of doubtful legality. At the same time the psychological factor involved in a voluntary charge probably would necessitate handing the administration over to some organization similar to the British Legion or other deserving group.

As an experimental project it would be interesting to learn whether this plan could be made effective as a normal regulation of downtown parking and as a profitable source of revenue for the municipality.

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The Paris Anti-Noise Ordinance.—This department carried in the REVIEW of February last an outline of the primary findings of the Parisian Prefectorial Sub-commission, created in July, 1930 to investigate the problem of city noises. Through the courtesy of the office of M. Jean Chiappe, prefect of police, this department has been provided with a copy of the ordinance which he has promulgated, designed to correct the major deficiencies revealed by the research of the sub-commission.

"Article One.—All noises are prohibited which are caused without necessity or due to a deficiency of precaution and tending to disturb the rest or the tranquility of the inhabitants.

"Article Two.—Especially prohibited are noises, which are in fact nuisances as defined in Article One, arising from any of the following causes:

1. Work of all kinds performed on the public way.
2. The excessively rapid movement of heavily loaded vehicles with solid tires.
3. The defective condition of the body or chassis of vehicles.
4. Allowing motors to run while parked.
5. Use upon vehicles of badly installed or badly maintained braking devices.
6. Repairing on the street of automobiles or motorcycles, or attempting to repair their motors.
7. Abusive use, by the operators of vehicles, of auditory warning appliances.
8. Employing auditory warning appliances between 12:30 A.M. and 6:00 A.M. by the operators of automobiles, during which time they will be expected to slow down wherever the need exists, in order that the use of warning signals will become unnecessary.
9. The defective packing of goods in vehicles.
10. Moving, loading or unloading, upon the public way, of heavy materials and ob-

jects capable of producing noise; such as plates, sheets, or bars of metal; cans of milk; boxes of rubbish; the foregoing to be carried or set down and not dragged or thrown.

11. Publicity or advertising by cries or songs, or employing for an industrial, commercial or private purpose phonographs, loud speakers and other noisy proceedings, except with special authorization.

"Article Three.—Equally forbidden, within the sense of the first article, are the noises made in the interiors of properties, of residences or their outbuildings; such as those arising from phonographs, loud speakers, musical instruments; the shooting of fireworks, torpedoes or firearms; work of a manufacturing or commercial nature; construction work; when these noises, taking into consideration the hour and the place, are of a nature to disturb the rest and quiet of the other inhabitants.

"Article Four.—Being or remaining prohibited under all circumstances are:

1. The use, by operators of vehicles, of warning appliances which are harsh, shrill, or of multiple tones.
2. The movement of automobiles, motorcycles, and other motor vehicles lacking efficient mufflers or permitting free exhaust.
3. The use of whistles, sirens, and analogous apparatus, with the view of regulating the movement of personnel in industrial or commercial establishments; also the use, to the same ends, of bells for longer than 15 seconds.
4. The use at outdoor fairs of organs, calliopes, large drums, bells, loud speakers, sirens, whistles, horns, and other particularly noisy instruments.
5. Parades and traveling musicians after 11:30 P.M. under all circumstances.
6. All musical or vocal exhibitions on the public way without special authorization.
7. The shooting, on the public way, of firearms, crackers or fireworks, except with authorization granted upon the occasion of fêtes or public rejoicing.
8. The beating of carpets. (The brushing of carpets upon the public way being authorized at dwellings until 8:00 A.M. from the first of April to the thirtieth of September, and until 9:00 A.M. from the first of October to the thirty-first of March.)

"Article Five.—All contractors, artisans, and laborers who use in their work hammers or instruments capable of producing a noise sufficiently loud to penetrate beyond the workshop, and thus disturb the peace and quiet of the inhabitants, must stop their work throughout the year between 10:00 P.M. and 7:00 A.M.

"The same obligation is required of contractors utilizing steam shovels, concrete mixers, riveting appliances and other noisy engines; as well as contractors executing work on the public way and not provided with a special authorization.

"Article Six.—All motors, of whatever nature, employed in commercial or industrial undertakings or for any other use, as well as all appliances, machines, conveyances, propelled by motors and used in the interiors of establishments not subject to the special legislation applying to such establishments, must be installed and operated in such a manner that their operation can in no case disturb the rest and quiet of the inhabitants."

Articles Seven and Eight of the Ordinance deal with the punishment of infractions, and provide for summary fines of relatively small amounts for inadvertent violations, while preserving the applicability of Art. 471, Par. 15 of the Penal Code, which provides for more serious punishment.

JOHN E. HAMM.
University of Virginia

NOTES AND EVENTS

EDITED BY H. W. DODDS

Two Manager Plans Before Toledo Voters.—On November 3, the day on which Cleveland will vote on a charter amendment to abolish the manager plan, the people of Toledo will decide whether to adopt it for their city. Two amendments have been submitted. One calls for the small council-manager plan and the other for a council of twenty-one composed of one representative from each ward. The small council charter was drawn by a group of citizens with Dr. O. Garfield Jones as chairman of the drafting committee. On the same night that it was presented another amendment suddenly appeared before council with the request that it also be placed on the ballot. There is no doubt that the large council amendment was drawn by the dominant political organization and introduced to confuse the issue.

Both amendments utilize much of the present charter. Many of the differences between the two will appear technical to the average voter and it is questionable whether a clean-cut decision can be arrived at.

*

Cleveland to Vote on Abolition of Manager Government—Hopkins Candidate for Council.—The petitions recently filed with the Cleveland council for a vote on the so-called Danaceau amendment to the city charter have been approved as sufficient and the amendment ordered placed on the ballot for the regular election on November 3. At this writing the political forces have not as yet lined up pro and con on the proposition, but the amendment will no doubt have the support of the Democratic organization. The Republican organization, it is predicted, will support the present city manager plan. The petitions contain about 44,000 names.

The proposed amendment, named for one of its sponsors, is essentially the same which has been brought forward on previous occasions only to meet defeat by the voters. It provides for the abolition of the manager plan and for a mayor elected at large and a council of thirty members elected by wards.

The election on November 3 has been further enlivened by the formal announcement by former City Manager William R. Hopkins of his candidacy for the city council. Mr. Hopkins, who has been almost entirely out of the public eye since his removal as manager in January, 1930, will make his campaign on the issue of "Take the city council away from the boss"—meaning, of course, the county Republican leader and national committeeman, Maurice Maschke. Mr. Hopkins also definitely stated that he was opposed to the Danaceau charter amendment, the purpose of which is to restore the elective mayor and abolish the city manager plan.

It has been openly conceded that it was the Maschke machine which selected Hopkins as city manager in 1924 and that it was a "break with the boss" which finally caused the "ouster" of the manager. Political observers believe Hopkins is seeking vindication and vengeance and that his ultimate objective may be the unseating of Maschke and the selection of himself as the successor. At least the fall political battle promises to be most interesting.

S. L. Reeder.

*

"Hampy" Moore to be Philadelphia's Next Mayor.—Perhaps the most significant outcome of the primary election in Philadelphia on September 15, was the nomination of J. Hampton Moore as the Republican candidate for mayor. Mr. Moore was mayor of Philadelphia from 1920 to 1924. If he is elected in November, as he doubtless will be, he will have the distinction of being the first Philadelphia mayor in the last half century to be chosen for a second term.

Mr. Moore ran practically unopposed in the Republican primaries. There were four other candidates, but his strongest rival polled only slightly over 6,000 votes. Mr. Moore's vote was in excess of 360,000. The "independents" as well as the "organization" supported him.

In view of Mr. Moore's difficulty with city council during his first administration, there was unusual interest in the probable personnel of that body during the next four years. From the primary results it would appear that with a few exceptions it will have the same personnel as at present. Mr. Moore took no part in the councilmanic contests and on the surface at least all the Republican nominees for councilmanic seats appear friendly to him. When council reorganizes in January, 1932, however, it is likely to have in its membership at least six men who were councilmen during his first administration and who were among his political enemies at that time. How fully he will have the coöperation of council during his second administration remains to be seen.

There seems to be a pretty general feeling among political observers that Mr. Moore is the man who is needed in the mayor's office during the next four years. Both his past record and his recent public pronouncements justify taxpayers in expecting a régime of economy at his hands. With the city's borrowing capacity about exhausted and a huge operating deficit to be met, Philadelphia now needs just such a régime.

*

Pittsburgh Primary a Defeat for Mayor Kline's Gang.—The independent movement in Pittsburgh became a real threat to the well entrenched machine of Mayor Charles Kline, when in the Republican primaries of September 15 the voters of this long bossed city defeated three of the mayor's four candidates for council. The mayor succeeded in nominating only one of his party to the four vacancies to be filled but will still hold in the next council enough seats to command the two-thirds majority vote which is required for many vital matters.

None of the three independents nominated are novices in politics. One is a former anti-administration member of council. The other two constitute the present independent minority in that body. The fourth independent candidate, who ran far ahead of the fourth organization candidate but failed to win nomination, was John D. Houston, a wholesale grocery dealer who inspired the investigation of the department of supplies which resulted in the indictment of the director and the mayor last June.

Newspapers defined the issue as a clear contest between decent government and a corrupt machine, and militantly defended their position. In the face of the boldest publicity the machine used every device known to win, including 40,000 assessments ruled to be illegal, phantom votes, personal politics, payroll orders and, of course, the police. Its brazen effrontery was climaxed late on election day when Director of Public Safety Clark notified all election boards that none of the 7,500 whose names had been stricken from the lists by the registration commission after the common pleas court had ruled them illegal were to be denied the right to vote.

In the Allegheny County primary the present county boss, Commissioner Armstrong, was apparently defeated and State Senator Coyne, the mayor's selection, trailed the field of major candidates for county commissioners. On the unofficial count the two nominations went to State Senator Mansfield, Pinchot candidate for president pro tem of the senate in the last legislature, and Commissioner McGovern, present independent minority commissioner. District Attorney Park was easily nominated over his independent opponent. He had the endorsement of numerous business interests, as well as of the citizens' committee, which organization with the League of Women Voters in early summer successfully pressed him for a grand jury investigation of the supplies scandal.

Although unofficial tabulations compiled from the return sheets posted outside the polling places showed Commissioner McGovern's nomination by a 2,200 plurality over Armstrong, the newspapers at this writing have much to say regarding an apparent attempt to steal the nomination from McGovern. Official returns being tabulated by the bureau of elections have indicated wide variations between official and unofficial figures, and the consensus of opinion is that the results are being juggled.

For the first time voting machines were used in Pittsburgh. Some of them failed to work and ballots had to be used. Tampering with the machines probably was the cause of this failure. The district attorney has begun an investigation.

All in all, this was the bitterest election in recent Pittsburgh history. The vote was the heaviest ever recorded and the results the most encouraging that have come out of this city in many years. Effective use of the recent supplies scandal and the standing indictments of the mayor no doubt helped to arouse an already disgusted but until recently docile citizenry.

ELBERT EIBLING.

University of Pittsburgh.

*

A. C. A.'s Annual Traveling Meeting to be in Detroit Region.—The American Civic Association announces that its Fifth Annual Traveling Meeting will be held in and about Detroit, October 5–8. The annual gatherings of the Association are unique. Instead of meeting for three days in a hotel or convention hall, the members travel about observing at first hand the execution of civic and planning programs.

This year arrangements are being made to visit Wayne County highways where so much has been accomplished in planting and erection of public service structures. A trip will be made to the Bloomfield District, including the Cranbrook School for boys and girls, built on the George Booth estate. The buildings are unusually lovely and the architect has received a prize for the excellence of their design.

A trip will be made to Grosse Pointe, where the most is made of the frontage on Lake St. Clair to develop communities of charming homes.

A boat trip and a visit to the Canadian side are among the events scheduled. On the last day the delegates will be taken via Dearborn and Greenfield Village to Ann Arbor where the local committee is planning an interesting evening.

Subjects for discussion include regional plans, state planning, national and local parks (pictures of Isle Royale will be shown), architectural control of private buildings, roadside improvement and home gardens.

⁂

National Municipal Association Organized in China.—In order to further research in municipal administration, a National Municipal Association is being organized under the initiative of Mayors Chang Chun, Wei Tao-ming, Hu Jo-yu, and Liu Wen-tao of Shanghai, Nanking, Tsingtao and Hankow respectively.

The idea was first conceived by these four mayors during their sojourn at the capital for the National People's Convention, when they discussed the lack of expert knowledge on municipal administration in the country. Receiving the hearty endorsement of various important party and government leaders such as Messrs. Li Shih-tseng and Wu Chih-hui, the plan of organization was launched and Mayor Wei Tao-ming was entrusted with the drafting of the regulations of the Association.

It is understood that the support of Mayor Chou Ta-wen of Peiping and Mayor Chang Hsueh-ming of Tientsin is assured. As the permanent office of the association will be at the capital, a piece of land is being secured for the erection of a suitable building.

According to the draft regulations and by-laws, the mayors of all municipalities shall be *ex officio* members of the association, while those who have previously held posts as mayors or as high officials in municipalities, as well as experts in municipal administration, may become members. Regular meetings will be held semi-annually in the various municipalities by turns. A library is to be established and noted foreign experts on municipal administration invited to lecture in China.

William Watson.

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CONTENTS

EDITORIAL COMMENT . . . . . *H. W. Dodds* 621
HEADLINES . . . . . *Howard P. Jones* 625
THE VALUE OF COMMUNITY PLANNING . . . . . *Dwight W. Morrow* . . . 627
AMERICAN CITIES AND THE BUSINESS DEPRESSION . *Frederick L. Bird* 630
HOW BOSTON FEEDS ITS HUNGRY FROM TAX FUNDS . *William H. Pear* 635
LES ENTREPRISES MIXTES . . . . . *Marshall E. Dimock* . . . 638
A PLEA FOR THE REGULATION OF THE POWER INDUSTRY . . . . . *Morris Llewellyn Cooke* 641
OREGON VOTERS DEFEAT STATE ADMINISTRATIVE REORGANIZATION, BUT— . . . . . *Charles McKinley* 646
MUNICIPAL AFFAIRS IN INDIA . . . . . *John A. Fairlie* 650

DEPARTMENTS

I. Recent Books Reviewed 656
II. Judicial Decisions . . . . . *Edited by C. W. Tooke* 660
III. Public Utilities . . . . . *Edited by John Bauer* 666
IV. Municipal Activities Abroad . . . . . *Edited by Rowland A. Egger* 669
V. Governmental Research Association Notes . . . . . *Edited by Russell Forbes* 673
VI. Notes and Events . . . . . *Edited by H. W. Dodds* 675

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THE LEAGUE'S BUSINESS

Report of the Nominating Committee.—The Nominating Committee has reported the following list of candidates to be submitted to the membership at the annual business meeting at the Hotel Statler, Buffalo, November 9, beginning at 12:30 P.M.

For president: Murray Seasongood, Cincinnati
For first vice president: * Louis Brownlow, Chicago
For second vice president: * Mrs. F. Louis Slade, New York

For honorary vice presidents:

Henry J. Allen, Wichita, Kansas
*Charles A. Beard, New Milford, Conn.
*H. L. Brittain, Toronto, Ont.
*Harry F. Byrd, Winchester, Va.
Frederic A. Delano, Washington, D. C.
*Samuel S. Fels, Philadelphia
*John M. Gries, Washington, D. C.
*A. R. Hatton, Evanston, Ill.
*John R. Haynes, Los Angeles
Frank O. Lowden, Oregon, Ill.
*C. E. Merriam, Chicago
*W. B. Munro, Pasadena, Calif.
*Frank L. Polk, New York
*Thos. H. Reed, Ann Arbor, Mich.
*Chester H. Rowell, Berkeley, Calif.
*Miss Belle Sherwin, Washington, D. C.
*Silas H. Strawn, Chicago
*A. Leo Weil, Pittsburgh
Arthur Woods, New York

For members of the council for the three-year term expiring in 1934:

*Henry Bentley, Cincinnati
Richard S. Childs, New York
*C. A. Dykstra, Cincinnati
*J. W. Esterline, Indianapolis
O. Max Gardner, Raleigh, N. C.
J. Catron Jones, Lexington, Ky.
*Samuel C. May, Berkeley, Calif.
*Lawson Purdy, New York
*Howard Strong, Wilkes-Barre, Pa.
*Lent D. Upson, Detroit

For member of the council for the unexpired term ending in 1933:

Seymour P. White, Buffalo

* Precedes the names of those renominated.

The Nominating Committee also suggests that the convention designate Richard S. Childs, retiring president, as chairman of the council. The Nominating Committee reporting the above list of candidates is as follows: Louis Brownlow, Chicago, *chairman;* Harold S. Buttenheim, New York City; C. A. Dykstra, Cincinnati; Mayo Fesler, Cleveland; Charles E. Merriam, Chicago.

◆

Portland Prize for 1931.—A prize of $25 is awarded annually to an undergraduate student in Reed College, Portland, Oregon, for the best essay on a phase of municipal government and administration. The National Municipal League acts as custodian of the fund from which the prize is derived and annually selects the judges of the contest. The 1931 award goes to Richard C. Bernhard who wrote an essay on the subject: "A Study of the Assessment of Property in Multnomah County." Frank Glenn Barlow, who wrote on: "The Tualitan Tunnel," and Maurice J. Ostomel, whose subject was: "The Municipal Court of the City of Portland," tied for second place.

The judges of the contest were Roy A. Knox, director, Bureau of Budget and Efficiency, Los Angeles; Professor Joseph P. Harris, University of Washington; and Professor Austin F. Macdonald, University of California.

Russell Forbes, *Secretary.*

NATIONAL MUNICIPAL REVIEW

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EDITORIAL COMMENT

How are cities adjusting themselves to the economic depression? Are budgets and taxes being reduced; are assessments being revised to meet lowered values; are wages being cut; are cities planning ahead with proper foresight; are many threatened by financial disaster?

These are some of the questions answered by Mr. Bird in this issue. His article is based upon reports from 135 cities to the Municipal Administration Service. It is an abstract of a longer bulletin published by the M. A. S. (261 Broadway, New York), now available at 25 cents per copy.

*

The address by Senator Morrow on community planning, which appears in this number of the REVIEW, was delivered a few days before his death at a dinner sponsored by the Trenton Engineers' Club on the occasion of the presentation of the Mercer County (New Jersey) plan report to the public of the county. It was the next to the last public appearance of a leader who was interested in the science of government as well as the practice of politics. Although delivered to the people of Mercer County, his remarks are in fact directed to the whole nation. We cannot recall a more impressive or sane plea for planning, even from the lips or pens of the so-called experts in the field. A member of the governing committee of the Regional Plan of New York and Its Environs since the beginning, Senator Morrow believed in community planning. With characteristic courage he did not hesitate to place the complete power of his influence and office at its service. If any man doubts the importance of planning or is disheartened by accomplishments to date, let him read Senator Morrow's brief speech and be reassured.

*

Stephen B. Story, City Manager of Rochester, New York, writing in *Public Management* on the experience of his city in emergency relief work, estimates that any city can reasonably expect a 70 or 75 per cent return for money expended to provide work for the unemployed. In Rochester the greatest loss in efficiency from a commercial standpoint was the grading done entirely by hand labor. Wages for such labor were fixed at 45 cents an hour, and for the trades in accordance with the union rate.

*

In the Notes and Events department of this issue William P. Lovett, author of the article, "Detroit Feeds Its Hungry" in the July REVIEW, commends Mr. Book's article in the September number on the work-wage plan adopted for poor relief in Indianapolis. At the time that Mr. Lovett's article was written Detroit had made little effort to provide public work for the unemployed. The difficulty, according to Mr. Lovett, was the large number of families directly aided by the city.

In the past few months, however, the families aided have been cut from 47,000 to 18,000 or less, and the work-wage plan inaugurated. The city government now undertakes to give work to men who receive help, thus eliminating the dole feature of relief.

It must, of course, be admitted that the unit costs of public works are greater than they would be in ordinary times, but Mr. Book insists that the efficiency of labor in Indianapolis has been maintained on a par with that of city labor under normal conditions. The justification is that it keeps men at work and secures some return, if only 40 cents on the dollar, for the expenditures made necessary by reason of unemployment.

*

A man who ought to know has told the editor that he strongly suspects that a large share of our lawyers have a hankering for judicial office, and that this un-sublimated wish helps to explain the lawyers' satisfaction with the elective method of choosing our judges. As evidence for the first half of his statement he cites recent Los Angeles experience. Not long ago, when fourteen new places in the local trial courts were to be filled, the governor of California received petitions and applications in the interest of 1,200 different Los Angeles County lawyers. In other words, about one-sixth of the entire bar of the county were actively seeking judicial office.

There is growing dissatisfaction with present methods of judicial selection in the United States which makes the joint committee, composed of representatives of the National Municipal League, the American Judicature Society, and the Johns Hopkins Institute of Law, exceptionally timely. This committee, under the chairmanship of Dean Justin Miller of the Duke University School of Law, convened for the first time in connection with the annual convention of the American Bar Association at Atlantic City.

*

There's Life In the Small Town Yet

Does the future belong to the city? In a sense it does. The 1930 census reports that the drift away from the farm is continuing, and everyone knows that, more than ever before, big city styles and manners of thought and living are imposing themselves upon the small town. Unquestionably the United States is changing from a rural to a city civilization in which the big cities will lead. But no one believes any longer that the small town will dry up and blow away. Dr. Julius Klein and the department of commerce say it won't, and although their reputation for accurate prophecy is not so luminous as it was two years ago, in this case they can be trusted.

Consider good roads, for example. At first they appeared to spell the doom of small town commerce and industry. Today the opposite seems true. Tourist business has become an important part of a small town's trade. Easy communications have enabled many a manufacturer to flee from the costs and troubles of the city to the economies and amenities of the town. The wider distribution of cheap power, obviously, will accelerate this trend. Every chamber of commerce secretary eager for new factories for his city knows that smaller places are often his most serious competitors.

If the industrial future of the large city is questionable, there can be no doubt, however, about its continued commercial supremacy. Where people are gathered together in largest numbers there is the best market found. The large city will also remain the seat of the arts and the professions. Political leadership, also, will belong to the city; the day of the log cabin statesman is past.

But for many people growing cities spell diminishing returns in both business and happiness. The smaller town offers coveted delights at a price which the modest man can afford. In it he can play both ends against the middle; he can take his choice of that which the city and the country have to offer.

To the city we look for stimulation. City people live on a higher tension and as a class may be inclined to instability and neurosis. Against the danger of city excesses we can place the revivified small town, as an understanding stabilizer to keep our civilization from jumping the track.

The small town's revival, however, brings with it new responsibilities. Its government must supply novel and multitudinous services with which the older generation did not have to trouble itself. Small town government has been traditionally slovenly and visionless. But it cannot continue so in the face of present opportunities. The manager plan is the small town's hope in government for the new age. Theoretic arguments have been leveled against the plan as applied to big cities, but for small towns it is an open and shut proposition.

✣

How Big Is a Metropolitan Area? The bureau of the census reports that 44.5 per cent of the total population of the United States now lives in 95 metropolitan districts boasting 54,589,972 inhabitants. Within these districts, however, only 70 per cent of the people reside within the legal limits of the central cities, which constitute only about one-tenth of the total area of the regions. In 1930 the census bureau for the first time included in its list of metropolitan districts those with a central city of less than 200,000 population, the lower limit now being 100,000. In addition to the central city or cities the districts now include all adjacent civil divisions having a population density of 150 per square mile and usually any civil divisions of less density directly adjacent to the central cities, or entirely or nearly surrounded by minor civil divisions having the required density. This is essentially the same definition as that applied by the census bureau in determining the boundaries of metropolitan districts in 1910 and 1920, except that the area then included within the metropolitan district was limited to that within 10 miles of the central city's boundary. For the 1930 census the 10-mile limit was abandoned, the distance to which the district might extend being unlimited so long as the population density requirement of 150 per square mile was fulfilled.

For the 1930 census the bureau made a definite but unsuccessful effort to develop a new definition of what constitutes a metropolitan area. In coöperation with the United States Chamber of Commerce, it invited local chambers to assist by submitting maps indicating what in their judgment the boundaries of their areas should be. Among the stipulated control factors were: Area from which people travel daily to and from the central city; area in which retail stores make regular free deliveries; area served by electric light and power from the central city; area served by the telephones operating from the central city as a base; area served by city water; area of mail delivery by city mail carriers; and area of residential membership in social and athletic clubs.

All but 20 of the chambers of commerce of the 95 metropolitan districts responded by supplying more or less complete data, including maps drawn with reference to the various control factors. However, after a careful examination of this material, the census bureau found that a good many adjustments—some of them rather radical—would be necessary in order to place the districts on a uniform and comparable basis. Governmental agencies cannot appear to be acting in an arbitrary manner, and in order to establish a basis which would not seem to rest upon any particular judgment or opinion, some single test was used which would obviously apply impartially to all cities.

In the mind of the census bureau this meant reliance upon a single control factor, and density of population seemed most satisfactory. In the great majority of cases, states Director W. M. Steuart, the metropolitan district as established by the density rule doesn't differ materially from the district established by the chambers of commerce. In eight instances it gives a larger population; in 28 cases it reduces the population by less than 15 per cent; in only 13 instances does it make a reduction of more than 10 per cent under the population of the district as defined by the local chamber of commerce.

In abandoning the 10-mile limit, the census bureau has taken a distinct step forward towards a more realistic definition of our metropolitan areas. It is unfortunate that other criteria could not be considered. A metropolitan region is a pretty definite social a[illegible] economic unit with distinct possibili[illegible] for unified political control. But s[illegible] of a region is not properly defined [illegible] population density alone, and while the census statistics are useful for comparative purposes, they alone cannot be considered as determinants of the actual metropolitan area. Perhaps a metropolitan area is as much a state of mind as a geographical expression and to this state of mind many influences other than population contribute.

The new method of drawing boundary lines for metropolitan districts has already encountered criticism. For example, the New York metropolitan district comprises 2,541 square miles in 3 states and is inhabited by 10,901,424 people. Of these almost 3,000,000 dwell in the scores of New Jersey municipalities included in the New York district. Hoboken is the most densely populated city in the entire district, and Jersey City's ratio is higher even than the average for the borough of Manhattan. But both these cities, as well as various other municipalities in North Jersey, are extremely self-conscious and their chambers of commerce have expressed strong opposition to the action of the census bureau in including them in the New York area. Municipalities in eight New Jersey counties are now reckoned to be in the New York region. Many of them are still unconscious of being members even of a North Jersey region and they resent being used to fatten the population figures for the New York district.

HEADLINES

Seven cities will vote on the manager plan in October and November. They are: Orange City, Florida; Ashland, Kentucky; Nutley, New Jersey; Hornell, Schenectady and Utica, New York; and Toledo, Ohio. In Toledo, voters will have to choose between two manager plans—one providing for a council of nine members with four elected at large and five from districts, and the other providing for a 21-member council elected from wards with boundaries as at present.

* * *

A three-county consolidation will take place in Georgia on January 1, Milton, Campbell and Fulton counties uniting. The merger will make Fulton the most heavily populated county in the state, with 334,000 inhabitants, and the second largest in area, containing 341 square miles of territory. Georgia like many other states is suffering from chronic countyitis, having 161 counties.

* * *

A deficiency of $7,000,000 in the sinking fund reserve on outstanding city bonds is reported by the Jacksonville, Florida, Bureau of Public Research. Another argument for the advocates of serial bonds!

* * *

No more will confiscation of property by the polite method of special assessments wear the cloak of progress in California. "No, never? Well, hardly ever." Any project to be paid for by special assessment may be halted for one year by protest of a majority of the taxpayers affected under the terms of a recent act of the legislature. The special assessment that may be levied upon any single piece of property is also limited by the bill.

* * *

One hundred and thirty-seven candidates are in the race for city council jobs in Cleveland. From five to seven positions are to be filled in each of the four districts. Another ballot that might be shorter!

* * *

Far from tradition but in line with the growing tendency in this country is the advertisement of the city of Calgary, Canada, seeking applicants for the job of business manager of the city. According to the advertisement which was published in the MUNICIPAL REVIEW of Canada, "Canvassing of aldermen or city officials will be considered a disqualification."

* * *

Circulation of petitions to place on the ballot next fall a proposed amendment to the Michigan constitution apportioning the house of representatives on a population basis, and empowering the secretary of state to make reapportionment after each federal census, has been authorized by the Wayne County board of supervisors.

* * *

Character, like skyscrapers, can be built from the ground up is the opinion of William J. Bogan, superintendent of Chicago schools, who has a committee at work studying the problem of civic education with a view to recommending a comprehensive plan for civic training for all grades in the public schools.

Legislation providing optional forms of government for Virginia counties will be recommended to the 1932 legislature by the state commission on county government, of which Dean Robert H. Tucker of Washington and Lee University is chairman.

* * *

Adoption by the Washington legislature of a state-wide city manager enabling act is urged in a report by the special city manager committee of the Seattle Municipal League.

* * *

Many Alabama teachers have not been paid since December, 1930, according to a protest to the governor by the Haleyville Civitan Club.

* * *

The manager charter of Ventura, California, was recently held invalid by the state Supreme Court because of the failure of the city council prior to the election to publish a legal advertisement saying that copies of the charter in pamphlet form were available at the city clerk's office, if reports are correct. Looks like another Indianapolis decision!

* * *

Property in Utah assessed by the state increased 50 per cent in value in the last nine years, whereas property assessed by the county decreased 11 per cent in the same period, according to the *Utah Taxpayer*.

* * *

Cleveland cigarette dealers have never heard it, but would agree with John Marshall's statement that the power to tax is the power to destroy. Cigarette sales have dropped from 5 to 25 per cent since the two-cent state cigarette tax went into effect, it is estimated.

* * *

A 10 per cent pay cut for all Philadelphia employees earning $3,000 a year or less, except policemen, firemen and park guards and a 25 per cent slash for those receiving more than $3,000 a year, has been recommended by Mayor Mackey in his budget message to the city council. A saving of $2,750,000 in one year would be made by the proposed reductions.

* * *

Increase in the municipal gasoline tax, from one-half to one cent a gallon and a boost in the city automobile license fee to one-third of the amount of the state license, is approved by the St. Louis board of estimate and apportionment.

HOWARD P. JONES.

THE VALUE OF COMMUNITY PLANNING

BY DWIGHT W. MORROW

A few days before his death Senator Morrow delivered the following address before a dinner in Trenton held under the auspices of the Engineers' Club for the presentation of the County Plan to the people of Mercer County, New Jersey. Senator Morrow had no opportunity to correct the stenographic report of his remarks which are here reproduced, but REVIEW *readers will recognize in them an inspiring argument for city, county and regional planning by one whose broad understanding of public affairs makes his passing a national calamity.* :: :: :: :: :: :: :: :: ::

YOUR chairman in introducing me as delivering an "address" to you really is going back quite a little upon his promise and his invitation to this splendid meeting!

It is true that I am interested in planning, and particularly in community planning. At this time, when so many of us are reaching out to get somebody to make a plan for the whole world, or for the whole country, it is a very refreshing and a very encouraging thing to come into a community that is making a careful plan for itself rather than believing that by some miracle, someone, somewhere, far enough off, can make a plan for everybody.

It is true that for a while I was, and still am, in a way, associated with the regional plan at the other end of our state. A body was created some ten years ago, taking in Connecticut, New York City, Long Island and New Jersey, stretching down to Mercer County. I can remember that just about ten years ago in New York we had a meeting of this kind to present a preliminary outline of what we were trying to do. Mr. Hoover, who was secretary of commerce then, came up and talked about planning. Former Secretary Root spoke from his wide experience of New York—I think he said at that time he had lived almost sixty years in that uncomfortable gridiron and he was anxious to do what he could to make a more intelligible plan for the next generation. The late Charles D. Norton, who was chairman of the committee and who had been associated with Mr. Burnham in the plan for the city of Chicago, was made chairman of a committee, and the regional plan of New York was instituted. For ten years they have been working on that, and have published many volumes.

THE REAL COST IS THE COST OF NON-PLANNING

Now, the thing that interested me about that particular project at the outset was that it was not an expensive proposition. I don't like to say that a plan does not cost anything, because anything that is worth while on this earth costs something. But I do think it is quite demonstrable that the real cost in building up a community is the cost of non-planning.

I remember that when the figures and estimates were made for the regional plan at the other end of the state it was stated that New York City and its environs would probably expend one hundred million dollars a year in public work in the next decade. Now that is a great deal of money, and I have no doubt that more than that much money has been spent each year during the last decade. The question really is whether the various expenditures we make as our communities grow shall be made more or less haphazardly or more or less in accordance with a plan.

New York and the territory around it, which includes the northern part of New Jersey, Connecticut, and all down through Long Island, had, I think, a population at that time of 8,900,000, and the estimate that was made by the statistician was that in fifty years the population there would be well above twenty million. As a matter of fact, one decade has gone by and the population has actually increased in that territory from something like 8,900,000 to 11,450,000, roughly, and all these great works that have been instituted in the last ten years—bridges, tunnels, public buildings, parks—were made mostly without a plan. Of course, in a growing country like this the communities will go on improving, they will go on spending money, and the real problem is: Shall we look at it a year at a time, the successive governing bodies of our counties and our states doing each their task as best they can in their busy lives, or will they set up some kind of a target, some kind of an ideal as a guide for future action and as a standard of conduct?

Of course, nobody believes that anybody is wise enough to make a plan that will be carried out. It would be a very unfortunate thing if any generation were completely tied to the plans of their fathers. I haven't any doubt that the people that are sitting here fifty years from now, with perhaps a copy of this report, will look upon it and make fun of parts of it and say "What strange people they were that wrote this." But nevertheless if the people of a community keep interested in the subject, this particular plan and the fact that it is there for somebody to wrestle with and struggle for and change, will affect this community for much more than fifty years; and although I said at the beginning with some apologies that it is not going to cost anything—it is going to cost a great deal. It is going to cost a great deal in money, and it is going to cost a great deal in thought and in sacrifice of time of the loyal men and women that come after you in this community. I feel completely confident, however, that it is not going to cost as much to do it in accordance with a plan as it would cost to do it without a plan.

WE ARE A YOUNG NATION

We hear a good deal about the cost of a city plan. Somebody ought really to write a book upon the cost of not planning. One of your speakers at the outset spoke about what could have been done if you had had a plan before. It always seems to me that we make a great mistake in this country, in all parts of the country, in thinking that we are an old country. Here you are living in this beautiful county, on a wonderful river, with historic associations that touch some of the most sacred things in the origin of this country, where, in a sense, the most decisive battles of the Revolution were fought, and yet in an historical sense it only happened yesterday. As time goes in the life of nations, in the life of states, in the life of counties, you are only beginning. We are all only beginning in this country. What little we have done in the way of mistakes is nothing, provided we start right now.

And that is a very sobering thought for us all. What has happened before in this country with any of us—what has happened in any state or any community or in the United States as a whole—is not in order that something might be now, but what has happened before and what we are doing now is in order that something *may be* fifty or one hundred or a thousand years from now. This is not an old country. It is a new country. The whole of this continent, this territory, this state, this county—we are only beginning; and what are the millions and millions of people who themselves will be groping through this territory a hundred, two hundred or three hundred years from now going to do if we do not do a little planning?

Fortunately, we are not wise enough to plan exactly. Fortunately, I hope, we are wise enough to know that we cannot plan exactly for those that come after us, but we can emphasize the necessity of proceeding under the fundamental principle that life is going to go on after us, that we are not only descendants but ancestors of those that are going to be five hundred or a thousand years from now; and that is a sobering thought in times of trouble such as we are now going through—that is a sobering thought that should give people courage, a courage that should make them worthy of their ancestors. Because there is nothing that we can do for the community in which we live that will involve anything like the hardship, the privation, the sacrifice that those went through who made this country what it is at the present time.

We, the ancestors of those who come after us, are going to be judged by the kind of dreams, the promises and contributions we make to the kind of a country this will be a hundred or two hundred or five hundred years from now. And our plans will be thrown aside, our plans will merely stimulate other men and other women to make other plans. But if we could come back—as Benjamin Franklin once whimsically, toward the end of his life, prayed he might be allowed to do, not because he wanted to live any longer, not because he could make any contribution, but because of the natural curiosity that the old man had to see what things would be like a hundred years after his death—if we could come back and see what has been done with this plan, which is the result of the work that these men on your committee have done, if we could come back and see it, the most we could say, probably, would be that we contributed a little to it; we started people thinking along the right line; we dreamed in our time, and we dreamed with the consciousness that after us would come builders and they perhaps would know that we too had known.

AMERICAN CITIES AND THE BUSINESS DEPRESSION

BY FREDERICK L. BIRD

Assistant Director, Municipal Administration Service

Assessed valuations rising or stationary, lower general property taxes exceptional, tax delinquency increasing, little resort yet to wage reductions, many cities showing insufficient degree of foresight and good management. :: :: :: :: :: :: :: ::

How are American cities weathering the financial storm? To secure specific and up-to-date information on this vitally important question the Municipal Administration Service has addressed inquiries to municipal officials or bureaus of governmental research in the 326 cities of over 30,000 population in the United States and Canada. Replies received from 135 cities form the basis for a comprehensive report issued by the organization. While the reporting cities constitute a representative cross section of all population groups it is probable that the cities which failed to reply included an abnormally large proportion of those which are in serious financial difficulties. Thus, the actual picture of the entire situation may be slightly less favorable than that presented in the report.

The questions which the survey sought to answer are primarily:

1. What is the trend in the assessed valuation of property and of tax rates?
2. To what extent is the amount of tax delinquency increasing?
3. What is the trend in annual municipal revenues, expenditures and budgets?
4. To what extent are cities showing deficits through inability to meet expenditures from current revenues?
5. To what extent is unemployment relief imposing an additional burden on city treasuries?
6. What action are cities taking to curtail expenditures?
7. To what extent has this involved the reduction of salaries and wages of municipal officials and employees?
8. To what extent are cities approaching the limit of their long-term borrowing capacity?

As the report is almost entirely statistical in form, its factual value is somewhat lost in any attempted summary, but the general trends indicated form a significant commentary on the present financial status of American cities.

TREND OF ASSESSED VALUATIONS, TAX RATES AND DELINQUENT TAXES

So long as the general property tax continues as the major source of municipal revenue, property owners will continue to bear a disproportionate share of the financial burden of city government. The decline in property values is tending to increase this load at the present time. The assessed valuations of property for 1931 in 81 cities

EDITORS' NOTE.—This article by Mr. Bird is a summary of a longer report, *The Present Financial Status of 135 Cities in the United States and Canada*, published by The Municipal Administration Service, 261 Broadway, New York City. Price 25 cents.

have risen perceptibly over 1929. In 26 cities the valuation is approximately the same as for 1929 and in only 24 out of 131 has it appreciably lowered. The valuation machinery, therefore, has been slow to reflect the deflation of property values.

It is, of course, misleading to consider valuation figures except in relation to tax rates. A declining assessment accompanied by a proportionately rising tax rate carries no relief for the taxpayers. A comparison of tax rates with assessed valuations shows that the general property tax has actually been lowered in only 23 cities. Five of these have lowered both the valuation and the rate, while 18 have lowered one while holding the other stationary. Forty cities, by keeping both the valuation and the rate stationary, or by raising one and lowering the other, find themselves approximately on the basis of 1929. Sixty-nine cities, by raising one or the other, or both, have actually increased the burden of taxation.

A large majority of these cities are confronted with a serious problem in the increase of delinquent and unpaid taxes. In all but 21 of the 105 cities from which information has been received, the percentage of delinquent taxes shows an increase from 1929, in many cases to a very serious extent. The average percentage of tax delinquency in sixty-nine cities has increased from 7.22 in 1928 to 11.32 in 1930. This widening discrepancy between the amount of taxes levied and total annual collections is not only reducing revenues below expectations and needs, but is rendering reductions of valuations and rates a seemingly hazardous undertaking. The situation suggests the need, however, for a readjustment of values which will encourage property owners to hold their property instead of permitting it to be sold for taxes.

REVENUES, EXPENDITURES AND BUDGETS

Drastic reduction of expenditures of most American cities seems rather improbable unless the public comes to favor the abandonment or curtailment of many services which they now enjoy. It is much more reasonable to believe that after the current crisis is passed, city governments will continue the expansion of the scope of their activities.

The immediate problem is that of adjusting expenditures to declining revenues. The available data indicate that thus far the majority of cities are doing with this a fair degree of success. In 1929, of 102 cities, 36 incurred operating deficits. In 1930, 30 of 96 cities showed deficits, only 16 of them, however, being repetitions from the previous year. In only a few instances were the deficits sufficiently large to threaten financial disaster. In at least eleven instances, moreover, these current deficits were more than offset by accumulated reserves from former years.

From the very nature of a city's services, which are of a continuing nature not greatly influenced by a recession in business, it is not to be expected that declining revenues would be reflected immediately in falling costs. This is well illustrated by the fact that in 1930 the expenditures of 70 of 103 cities increased over the previous year. In 1931, however, the city governments were beginning to get the situation in hand and 45 of 77 municipal budgets showed a definite decrease. The indications are that marked accomplishments toward curtailment will be reflected in the budgets of 1932.

SPECIAL ACTION TO CURTAIL EXPENDITURES

The present demand for retrenchment offers an unrivaled opportunity for the elimination of waste and inefficiency through more businesslike budgeting and purchasing methods, greater foresight in long term financial planning, improvement of personnel management, better administrative organization, elimination of antiquated taxation procedures and the like. Economies effected along these basic lines will be of lasting value. Indiscriminate curtailment of essential services at the request of panic-stricken citizens, however, will work inestimable harm.

"What action is your city taking to curtail expenditures?" was the specific question asked on this subject. Officials in the 11 of the 135 cities who responded to the general inquiry for information failed to mention this subject and 18 more said that nothing was being done as yet. The replies of at least 51, however, indicate that the most careful attention is being given to budget control, with budgets kept within estimated revenues, careful adherence to schedules and general curtailment of expenditures. In a few instances, at least, there is danger that the curtailment is so drastic as to be inconsistent with continued efficiency.

Along other general lines of economy eleven cities mentioned curtailment of improvement programs and eight stated that purchasing had been cut down to essentials only. Seven emphasized the savings effected by reductions in personnel and five reported that the city government was undergoing a complete reorganization including the introduction of such reforms as scientific purchasing.

Special economies put into effect in individual cities are too varied for more than representative illustration. They include the adoption of recommendations by bureaus of governmental research or by experts engaged by local taxpayers' associations to seek out avenues of economy, installation of mechanical equipment in various departments, closing community centers, discontinuing of contributions to police pension fund and reduction of playground expenses with assumption of management by committees of citizens.

SALARY AND WAGE REDUCTION

American cities in general have not as yet resorted to salary and wage reductions as a means of reducing municipal expenditures. Whether recent wage cuts by large industrial concerns will influence a change in policy is not as yet apparent, but present salary schedules thus far have been left largely intact.

In 99 out of 125 cities there have been no reductions whatever. While in 15 of these consideration of wage cuts is reported, a greater number indicate a feeling as decidedly opposed to such action. Of the remaining 26, eight have instituted reductions only for a few officials or groups of employees, such as a 3 per cent reduction of teachers' salaries in Detroit with a continuation, however, of the regular schedule of increases. Kansas City, Missouri, was forced to make a 25 per cent reduction in all municipal salaries on a monthly basis for the second half of 1930, but the former schedule was restored at the beginning of the present year. Two cities were able to maintain the existing schedule with temporary savings by the device of providing for brief vacations without pay. Pasadena, California, has instituted the equivalent of a temporary salary cut by requiring a contribution of one day's pay per month toward the unemployment relief from all employees who receive $5 a day or more. Still another city maintains the established schedule for old employees but hires new ones at a reduced rate. Three cities have instituted salary cuts ranging from 5 to 20 per cent for the higher paid officials only. Ten only of the 125 cities reporting have put general reductions into effect. Two of these graded the amount from 2½ per cent to 20 per cent depending upon the size of the salary. The remaining eight made flat reductions ranging from 3 per cent in St. Paul to 24 per cent in Wichita Falls, Texas, with an average of 10 per cent for the others.

UNEMPLOYMENT RELIEF

Direct expenditures by city governments for poor relief and unemployment have been responsible for increased budgets or for failure to reduce budgets in a considerable number of cities during 1930 and 1931. An outlay of over $18,000,000 for this purpose by Detroit is largely responsible for its present financial difficulties. In a number of the smaller cities particularly, the demands of the unemployment emergency have more often offset their efforts for retrenchment. In Woonsocket, Rhode Island, for example, the increase in the poor relief appropriation for 1931 over normal years considerably exceed the saving effected by drastic salary reductions.

In general, however, unemployment and poor relief have not placed an excessive financial burden on city treasuries. In a majority of cities, poor relief is an obligation of the county or the township, and the major portion of unemployment relief funds has been collected and disbursed by non-governmental agencies. Direct municipal expenditures for these purposes, nevertheless, have gone far in offsetting economies effected in other lines. The total amount expended by 100 cities, not including the three largest, rose from $18,900,000 in 1929 to $40,700,000 in 1930. It is impossible to give a comparable budget total for 1931 but cities reporting, with a few notable exceptions such as Detroit, which has cut its appropriation from $14,000,000 to $400,000, have increased appropriations, in many instances several times those for 1930. An indirect cost not fully reflected in appropriations for unemployment relief is to be found in the expanded work programs especially of public works departments. There is considerable evidence, moreover, that the employment of untrained labor is increasing the unit cost of operations.

UNUSED MARGIN OF BONDED DEBT CAPACITY

At the same time that the rapidly mounting bonded debtedness of city governments is being severely criticized, cities are being urged to increase and speed up their public improvement programs as a partial solution of the unemployment situation. Curtailment of borrowing, decrease in current budgets and expansion of public improvements are hardly compatible. Sound as a policy of increased public improvements in a period of depression may be, its adoption is impossible without the further issuance of bonds on a large scale. If, as is widely claimed, cities are approaching the limits of their bonding capacity as established by law in most states, a large increase of bonded indebtedness for this or any other purpose is legally debarred.

The actual situation for cities in general is much less precarious than pictured by the prophets of disaster, but it reveals a need for careful conserving of bond margins which precludes any orgy of public construction by cities to stem the flood of unemployment. In 1928 the unused margin of bonded indebtedness of 63 cities, not including the three largest, was $807,-

412,000. At the close of 1930 this figure stood at $726,674,000. The situation varies greatly, however, for different cities. A few have ample margins which leave them little cause for worry on this score. The great majority are confronted with the need for a more conservative borrowing policy than in the past. A few have so nearly reached the limit of their borrowing power as to preclude any further financing by this means at the present time.

As the legal bonding capacity is usually a fixed percentage of the assessed value of taxable property, much depends upon the future of property values. Cities which have heretofore depended on annually increasing assessed valuations to provide new borrowing power are likely to have their expectations disturbed by the present trend toward stabilizing and reducing assessments.

SUMMARY

Viewing the situation in its general aspects, it is fair to say that the majority of American cities are not thus far meeting the emergency in their financial affairs with a sufficient degree of foresight and good management. While the predicament of Chicago is far from being characteristic of any but a comparatively small number of city governments, serious difficulties are still in store for a number of cities which have been lax in their financial management in the past and slow to arouse themselves to the demands of the present crisis, and most city governments are confronted with the need for more economical and efficient management of their affairs than they have heretofore exercised if they wish to remain solvent, continue to improve the quality of their services, and at the same time lighten the burden of taxpayer. If, instead of indiscriminate cutting of salaries and ruthless slashing of department appropriations, city authorities will look beneath the surface to the need for fundamental reorganization of administration, elimination of wastes and the introduction of well known, but too inadequately tried, efficient methods of carrying on public business, the current depression may prove in the long run to be a real boon to municipal government.

HOW BOSTON FEEDS ITS HUNGRY FROM TAX FUNDS

BY WILLIAM H. PEAR

General Agent, Boston Provident Association

Among the large cities, Boston is second only to Detroit in per capita expenditures for poor relief, but her chief reliance has been on tax-paid funds without any emergency drives, bread lines, or apple selling. Coöperation with private agencies has been developed to high point of efficiency. :: :: :: :: :: :: :: :: :: ::

NINETEEN thirty has added one more to a series of years during which there has been a steadily rising tide of relief disbursements the country over, and 1931 has continued to yield record figures. How general and how impressive this upward swing has been may be seen in the reports issued by the statistician of the Russell Sage Foundation, wherein the aggregate outlays of 241 widely scattered cities are shown to have doubled and even trebled within the last three years. Rated by their expenditures per capita of population for 1930 Detroit and Boston stand at the top of a list of large cities, the former with total relief outlays equal to $6.04 per capita and the latter $5.68 per capita of population. These two cities led the others also in the recorded amount of relief given by their public and private agencies, Detroit with well over nine millions and Boston with nearly four and a half millions.

But Boston was fortunate in two respects: In the soundness of her relief policy, that is the Massachusetts relief policy, and in the well-developed practice of coöperative action between her public and private charitable services.

RELIANCE ON TAX-PAID FUNDS

The Massachusetts relief policy, which Boston shares, is based upon the assumption of general public responsibility for the protection of people from serious want, rather than upon a *laissez faire* policy of trusting for that protection to the generosity of the well-to-do. It is effected through statutory provision for public outdoor relief which, though more or less inelastic, nevertheless serves as an underwriting of protection from serious suffering.

It was owing to such provision for aid from tax-raised funds and to the effective coöperation of her private relief agencies that Boston passed through last year's experience without the raising of a widely advertised relief fund, always to be deplored if avoidable. Relief outlays were, of course, record breaking but one cannot help thinking that Boston, with its large disbursement of nearly four and a half millions in 1930, 91 per cent of which was tax-raised, was better off as a community than certain cities which were forced to have these noisy fund raising campaigns. Such funds as a rule proved inadequate and had to be followed by public appropriations for a cause which was properly the concern of all the people from the beginning. At all events this is the opinion of Boston's social workers with which her socially-minded mayor appeared to be in accord. While it is true that Boston is not subject to such an influx of casuals from without as are Chicago and New York there is little doubt that she was saved from the unhappy spectacle of bread lines, apple-selling, and the like by her public relief policy and by Mayor Curley's determined stand against the use of such expedients.

More than one city not having the system which Boston has developed has been turning towards it hopefully in recent months facing the necessity, however, of inaugurating a new policy in the midst of a period of stress. Boston, on the other hand, has had the advantage of a long established public relief policy with a steadily improving administrative machine, crippled though it was by inadequacy of staff, and alongside it a well-related private service, filling gaps and rendering varied and extensive services, such as a public department for the present, at any rate, cannot supply. Conferences between agents of both services on cases and on questions of policy are of frequent occurrence and both work together for community welfare in the Council of Social Agencies.

ROUNDED PROGRAM THROUGH COÖPERATION WITH PRIVATE AGENCIES

It is through the valuable coöperation of the private relief agencies, however, that Boston has gained a well-rounded, flexible relief service. For many years past these agencies have taken the stand that it was their task to dove-tail their service with that of the public relief department. This they have done with a degree of success which has been notable. They have essayed to fill the unavoidable gaps. With their freedom from certain statutory and other limitations of public service, coupled with their more ample staff equipment, they have aimed to supplement wherever flexibility or more varied service was needed.

The actual amount of financial aid disbursed by the private agencies is not considerable compared with the relief outlays of the overseers of the public welfare—in 1930 it was nine per cent of the city's total—but when it is found that these agencies are employing staffs sufficiently numerous to keep the case load per visitor down to one-fourth, and perhaps one-fifth the number which a visitor in the public welfare department is obliged to carry, the difference in opportunity for extended service seems obvious.

The chief difficulty encountered by our Boston overseers during the past season has been inadequacy of staff for handling the excessive increase in applications and for insuring justifiable restraints upon expenditures which only a sufficiently numerous and well-trained staff can supply. In this connection, however, there is interesting evidence of the spirit and effectiveness of private agency coöperation; for at a time when the overseers of the public welfare could not quickly enough make additions to their staff, these agencies to the number of ten lent as many trained visitors to the public department, bearing the expense of such loans for several months in the period of greatest pressure.

THE TECHNIQUE OF COÖPERATION

In such a system as has been described, the division of labor between the two services, public and private, is naturally a matter of the greatest importance. To be effective there must be not only good understanding but good technique as well; and here again it is possible to record that Boston has the basis, at least, for both. If, as is likely, good understanding is best secured through close contact, there is undoubted advantage in the housing of both groups of workers, the public and the private, under one roof.

For more than a half century a group of leading general relief agencies supported by private contributions and endowments have been given rent-free quarters in the public building in which the overseers of the public welfare are headquartered. This affords the immeasurable advantage of daily and hourly intercourse on cases and on questions of policy. Moreover an advantage also immeasurable is gained by the fact that the director of the public welfare service is not a political appointee but a man with a long experience in the field of work which he directs, appointed by and responsible to the board of overseers, an unpaid body of twelve citizens.

In the matter of technique, it would be generally admitted by social workers the country over that Boston has had the great good fortune to have a Central Case Index which with respect to comprehensiveness and skillful management is second to none. In it, of course, resides the facilities for quick discovery of the identity of applicants and the previous acquaintance which any agencies may have had with them. Duplication of effort is at once prevented; speed in meeting emergencies is made possible; and the way is opened for the first and also succeeding steps in effective coöperation. Both public and private agencies pay their fair share of the operating cost of the Index and it also is housed in the Public Welfare Building.

GREATER APPROPRIATIONS FOR NEXT WINTER

And now Boston is facing another winter which may be expected to be even more trying than the last—at least that is the prediction of those who should know. So far as Boston is concerned her people know that they have passed through a year of unprecedented pressure in a way which makes them wish that in the coming season they might be spared the noisy advertising and other unhappy features which the mayor and all concerned so wisely averted last winter. There will have to be abundant appropriations, probably in excess of those of last year, to the public welfare department; and the private agencies will need contributions from generous supporters much more ample than heretofore, for many an agency drew from capital funds last year to an extent which they could scarcely continue.

But from all indications Boston is facing the coming season hopefully, though soberly, believing that she has a relief policy and practice which is best calculated to afford the largest measure of protection. It is realized, of course, that this assurance of protection cannot be secured without paying for it. It is to be regretted, for it is probably true, that the assurance cannot be given without advantage of it being taken by some. It is known to be difficult to give without sapping to a degree the spirit of sturdy independence which her people like to think may still belong to old New England. But the best guarantee of protection from these unhappy consequences of relief is adequate, skilled, constructive service in its administration, and this it is the business of social workers to supply.

LES ENTREPRISES MIXTES

BY MARSHALL E. DIMOCK
University of California at Los Angeles

A possible escape from the regulation tangle.

FROM many and diverse sources, too numerous to mention, come statements that utility regulation has reached an impasse. Professor Mosher and his associates refer to the "crisis," in their book, *Electrical Utilities*. John Bauer increasingly evidences despair regarding the possibility of effective regulation and suggests that municipal ownership and operation is probably the solution which will be found for the present dilemma. The majority opinion in the recent reports of the Massachusetts public service commission and the minority views of the Knight Commission in New York show clearly that public ownership is surging to the fore. Despite numerous court decisions and thorough treatises, the problems of valuation and fair return seem as far from solution as they did twenty and thirty years ago. The vital matters of holding companies and interstate transmission of power remain untouched.

Several suggestions have appeared relative to feasible methods of clearing up the situation. Intensive federal regulation has been suggested. The "contract" plan of Governor Roosevelt has been given popular attention. Compromise plans such as the "prudent investment" theory have been advocated, as a means of breaking the Gordian knot represented by the conflicting original cost and reproduction cost theories. The Supreme Court of the United States shows a clear purpose of moving in the direction of greater emphasis upon the reproduction cost plan.[1]

It is largely as a result of these decisions that former advocates of regulation have turned to public ownership plans. The disagreements between some of the commissions and the courts appear hopeless. Regulation has become virtually a process of interminable appeals. The Maryland public service commission felt sure that, as a matter of "fact," a return of 6.26 per cent constituted a fair return on street railway securities, and that rights of way are plainly not proper items for inclusion in capital costs. But the "law" laid down by the Supreme Court of the United States decreed that the commissioners had erred in both of these matters. Why pretend to regulate when the commission's action must be necessarily a guess?

IS PUBLIC OPERATION NECESSARY?

But it is not certain that public operation is the necessary solution of the problem. As many difficulties and as many alternatives as possible should be considered carefully before adopting an extensive program of public operation. The findings of Herbert B. Dorau[1] raise the question as to whether public ownership is passé. It is not proposed to develop this problem except to suggest that the proximity of many cities to their debt limits, the exorbitant values often obtained by utility companies when they sell out to the public, and the difficulty of improving politics and administration rapidly enough to assure the competent handling of enormous enterprises, are factors which every honest advocate will face squarely.

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[1] See *McCardle, et al.* v. *Indianapolis Water Co.*, 272 U. S. 400 (1926). Incidentally, this decision made it possible for the holding company to earn 38 per cent upon the book value of the common stock. Keezer and May, *The Public Control of Business,* 169–171. More recent elaborations of the theory are *Waukesha Gas and Electric* v. *The Railroad Commission of Wisconsin,* 191 Wis. 565 (1927); *St. Louis and O'Fallon Ry. Co.* v. *United States,* 279 U. S. 461 (1929); and *The United Railways and Electric Company of Baltimore* v. *West,* 280 U. S 234 (1929).

So far there has been practically no suggestion that we look to current European experience for possible remedies which might be applied to the improvement of our own utility situation. The remainder of this article will set forth two ideas which are prominent in several European countries. The first is the prodigious popularity of so-called "mixed" enterprises in the utility field, and the second proposal is a system of special commerce courts. They are not offered as panaceas, but as suggestions.

"MIXED" ENTERPRISES

A mixed enterprise is one in which public and private resources and management are joined in order to form a coöperative profit-making business. The idea has gained ground rapidly since the war, and it is now one of the most widely discussed internal questions throughout Europe. The question of "Les entreprises mixtes" was one of the chief problems for discussion at the 1929 meeting of L'Union Internationale des Villes, which was held at Barcelona. At this conference, reports indicated that eleven countries, among them France, Germany, Switzerland, Belgium, Holland, England, Poland, and Rumania, have had experience with mixed enterprises. They were operating in Germany even before the war, and it is there that the most extensive development has continued to take place.[2] In 1925 Prussian cities alone accounted for 474 undertakings. One-third of the electricity supply of Germany is furnished by mixed companies. Some idea of the spread of the plan in Germany is seen in the fact that 139 transportation businesses, 134 commercial companies, and 79 water, gas, and electricity companies now operate as joint enterprises. In one country or another, mixed enterprises are conducting housing, railway, gas, water, electricity, street railway, aviation, and garage undertakings.[3]

In no two countries are the workings of the plan exactly the same. France, although she has not developed this field as much as has Germany, provides a good example of the practical operation of mixed enterprises. Before the war the French government furnished various forms of assistance to utilities, and imposed a certain measure of regulation, but did not venture to undertake commercial enterprises itself.[4] With the legislation of 1919 and successive grants of power, departments and communes have become engaged in several forms of business, as partners of private companies. The chief ones are water works, electrical power, municipal railways, and garages. Before a French commune or department may engage in such an enterprise it must obtain the consent of the minister of interior and comply with all the provisions of law. The largest undertakings are found in Alsace and in the French Alps. Mixed companies become monopolies. A municipality is limited by law to a subscription of forty per cent of the capital stock. The investment is expected to earn six per cent and not more than ten per cent. The government may receive its compensation in service, such as the lighting of the city, or as a financial return based upon the percentage of its ownership. It receives representation on the board of directors in proportion to its financial holdings. Appointments are made by the mayor, prefect, or minister of interior. Appointees are civilly liable for their actions, and the government is likewise held fully responsible.

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[1] See his monograph published by the Institute for Research in Land Economics and Public Utilities, Chicago, Ill.—*The Changing Character and Extent of Municipal Ownership in the Electric Light and Power Industry.*

[2] The capital structure of the Berlin electric works, which has been made a mixed enterprise will be described by Dr. Walter Norden in the December Review.

[3] A résumé of the development in outstanding countries is presented by Walter Delius, "Les entreprises Communales de nature mixte," *L'Administration Locale* (No. 54), April–June, 1930, pp. 1011–1031.

[4] For a brief but interesting article regarding the development see M. Felix, "Les entreprises mixtes en France," *L'Administration Locale* (No. 53), January–March, 1930, pp. 938–965.

CONTROL WITHOUT MAJORITY OWNERSHIP

The government's power and ability to regulate and control the company, despite the fact that it does not and cannot possess a majority of the stock, is unquestioned. The laws provide that if the government's representatives disapprove of the vote of a majority of the board, a second must be held. In practice this results in the government's control of policy, finances, and administration, if, on appeal, the minister of public works sustains the officials.[1] Moreover, public officers share the work of actual administration, thereby keeping advised concerning the details of the business. This right has been limited by the laws, however, to the extent that public representatives may not hold the offices of president and vice-president. This provision is meant as a safeguard against too great official power.

This hybrid form of industry appears to be giving great satisfaction, although even yet it is perhaps too soon to pass final judgment.[2] The advantages of such a plan may be summarized as follows: (1) it entitles the public to a share of monopoly profits; (2) it permits the financial and organizing initiative of individuals to come into play, which supposedly is one of the chief advantages of capitalism; (3) the government has no trouble regulating capitalization accounts, earnings, or service, because it exercises day by day control over the industry; (4) and finally, business in turn is able to checkmate the danger of functionaries abusing their official powers.

There would seem to be no legal or constitutional objections to introducing mixed undertakings into the United States. The several governmental subdivisions already conduct a number of industrial enterprises. As a rule the Supreme Court of the United States has evidenced liberality with regard to business ventures. For example, a few years ago the city of Portland, Maine, established a public fuel yard and appropriated money for its maintenance. This action was recognized by the Supreme Court as having a public purpose.[3] In the famous case of *Green* v. *Frazier*[1] the state of North Dakota was permitted to operate a mill and elevator association; a project for manufacturing and marketing farm implements; a home-building association; and a state bank.

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[1] Felix, *op. cit.*, 945.

[2] Additional information may be found in M. Chardot, *La Collaboration financière des administrations publiques et des entreprises privées* (Paris, 1928); M. Mireaux, *La gestion publique et la gestion privée* (Paris, 1929); E. Carpentier, *Code des distributions électricité* (Paris, 1930, rev. ed.); and J. Staat, *Une Entreprise d'economie mixte* (Paris, 1925).

[3] *Jones* v. *City of Portland*, 245 U. S. 217 (1917).

Americans are so used to thinking of Business and Government in terms of their being either bitter enemies or else in collusion, that the idea of effecting a partnership arrangement will probably sound incredible. However, Europe may be able to prove that such a plan serves the greatest good of the greatest number; that it is a salutary compromise between *laissez faire* and socialism. At any rate the development of "entreprises mixtes" should be given careful consideration by American students.

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[1] 253 U. S. 233. (1920).

A PLEA FOR THE REGULATION OF THE POWER INDUSTRY

BY MORRIS LLEWELLYN COOKE

The advantages to be derived from improved public control of the power industry as compared with public ownership. :: :: :: ::

Regulation and public ownership should represent two *distinct* approaches to the accomplishment of momentous public ends. The two systems must not, in liberal thought, be considered as synonymous. Otherwise, in our failure to concentrate we may not secure either effective public ownership or effective regulation. It is obvious that underlying the question as to *who* shall own the power facilities of this country, and of far greater importance, is the question *how* shall they be operated?

My arguments against public ownership are largely counsels of expediency, not excluding from this term, however, moral considerations. I do not argue against public ownership because (1) the owning and operating of a power station lies outside the proper functions of government, nor (2) because public ownership is un-American or socialistic, nor (3) because government necessarily does any given job in less workmanlike fashion than if it were done under private auspices. I believe whole-heartedly in the public ownership and operation of power plants at Muscle Shoals, in Boulder Canyon, on the international section of the St. Lawrence River, in the cities of Seattle, Tacoma, Los Angeles, Springfield and in numerous other American cities where the conditions necessary for conspicuous success are present. This is "yardstick" public ownership. It is a selective application of a principle as contrasted with its general and more or less immediate adoption.

GOVERNMENT'S UNDIGESTED TASKS

Perhaps my most fundamental reason for being opposed to public ownership is that government with us seems to have at the present time enough to do that is undigested. The feverish tempo of American life is a constant temptation to slipshod and wasteful work. Naturally government does not escape this influence. It will be easier for us to accelerate the general improvement in the quality of the public service now in progress if we avoid becoming involved in any widespread move to own electrical facilities now claimed to be worth eleven billion dollars.

Again, there are obvious complications in such an increase of the public payroll as would be made necessary by any general adoption of public ownership. In Philadelphia there is now one government employee out of every thirty-seven inhabitants. Put in another way, there is one person employed by the government to every 16 employed in private establishments. In the country as a whole there appear to be on the payrolls of the private utilities between 2¾ and 3 million people. Assuming a population somewhat less than 120 millions (to conform to the average date for which the foregoing figures apply) it is seen that the utilities employ one out of every 41 of the population. Thus combining present government employees—using the figures of the recent Philadelphia census—with those who would be put on the payroll through any general scheme of public ownership, there would result one public employee to every 19 in the population or one out of every eight of those gainfully employed.

Of course it is conceivable that the public might take title to the electrical industry and pass up the less promising or more troublesome prospects of steam railroads, gas, street railways, bus, telephone and telegraph. Without passing on the ethical aspects of any such program it should be remarked that if we only appropriate the electrical industry the problem of regulation is still left lying right on our doorstep as the only other suggested means of controlling all the other utilities.

Now considering the proposed adoption of public ownership simply from the standpoint of its timeliness there are certainly many factors in the current situation that at least suggest a postponement. For one thing we are absolutely without federal control of interstate traffic in electricity except as to power generated from falling water. Again, owing to the recent extreme decisions of the United States Supreme Court in the matter of establishing rate bases by the reproduction cost new method, the prices which the public would have to pay in taking over these properties are undoubtedly at their highest level and far above their intrinsic worth. There is every reason to believe that the very extremes to which this system of hypothetical and imaginary values has been carried will, in the course of a decade or two—perhaps sooner—bring about an era of markedly lower valuations.

After the revelations of the federal trade commission, one hardly needs to be reminded that we have come through a period going back at least twenty years during which the electrical industry, under the leadership of the National Electric Light Association and other propaganda agencies has carried on through the newspapers, in the schools, on the lecture platform and elsewhere a campaign of almost unbridled misrepresentation. So that we find the public mind habituated to the idea that public ownership and operation must necessarily be incompetent. If and when the proposed change takes place, to have the slightest chance of success there should be a reasonably high degree of enthusiasm for it.

ENGINEERS TRAINED TO DISTRUST PUBLIC OWNERSHIP

The engineers upon whose enthusiastic support the success of any widespread scheme of public ownership would necessarily depend, have been educated to believe that private initiative in the utility field is absolutely essential. Our engineering societies are controlled very largely by the private utility interests. Strange as it may seem, while engineering literature teems with material in regard to the generation and transmission of electricity, there is not a line to be found anywhere about the cost of its distribution, the one factor which is supposed to account for the high cost of electricity supplied to homes and stores. In fact, the discussion of distribution engineering, as referred to by Ambassador Sackett in his now famous Berlin speech, is actually prohibited before engineering audiences.

We look across the Canadian border and see there the marvelous public electrical development in the province of Ontario. We see that the average household rate throughout the province is less than two cents per K.W.H. as contrasted with the American domestic rate variously estimated at 6, 6½ and 7 cents per K.W.H. We see average Ontario power rates 50 per cent below the American average. We see that the average annual use of current in the home is 1380 K.W.H. as contrasted with an average use in this country of something less than 500. And then we jump to the conclusion that a similar result could be accomplished anywhere if we only had public ownership. In so doing we forget that this outstanding Canadian achievement was born of war psychology, guided through gruelling experiences by the remarkable Sir Adam Beck, nurtured by an unusually intelligent electorate and operates in a district supplied by the cheapest water power on the North American continent.

Come with me to Cleveland, Ohio, and see the other side of the picture. Here under the inspiration of the great Tom Johnson, a comparable adventure in publicly owned electrical development was launched some twenty years ago. Allowing in this case say 4 mills per K.W.H. for the difference between the cost of generating electricity from coal and from falling water, the natural conditions in Cleveland are quite comparable to those in Ontario. At the time the Cleveland Municipal Electric plant was started, and in fact down to 1920, the local private plant charged a flat 10-cent rate to domestic consumers. The public plant from the beginning has charged a flat 3 cent per K.W.H. rate. To meet this competition the private company ten years ago dropped its rate to 5 cents per K.W.H.

In 1914 when I first became acquainted with this Cleveland experiment there was a modern plant manned by competent officials doing a profitable and rapidly expanding business and enthusiastically supported by a well informed electorate. In the intervening years, and especially since 1923, something has happened to this municipal undertaking which corresponds to feeding ground glass to an individual.

There is not the time in which to sketch even in outline the twenty-year struggle of the private interests to throttle this public enterprise. But during a period when the competing private company has forged ahead in every way the growth of the public operation has virtually ceased. Average sales of energy during the last five years have increased only 6.5 per cent per year and revenue by only 7.7 per cent. It is sometime since any money for extensions has been forthcoming.[1] Regretfully we must admit that the wolves surround the house.

Even a few years of reasonably precise—not to say rigorous—regulation would deprive the utilities of those seemingly boundless resources with which they at times harass us, and, especially our adventures into public ownership. The unwarranted obloquy which was accorded our taking over the railroads during the War is another "Stop, Look and Listen" sign suggesting that public operation never be undertaken on too wide a scale and only when the factor of safety is ample. But the Cleveland municipal electric plant does give eloquent testimony to what may be accomplished by fair and rigorous regulation. For charging a maximum of 3 cents per K.W.H.—the lowest rate in the United States public *or* private—and after five years during which it has been administered by officials opposed to public ownership, the plant showed a net income for the year 1929 of two million dollars before depreciation, bond interest and estimated taxes. This is more than six times the bond interest.

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[1] On November 3 Cleveland citizens voted on the question to authorize a $2,500,000 extension to the municipal plant.

Let us frankly admit the relative failure of regulation to date—except possibly in the field of steam railroading. But, we may properly ask, if we have been so unsuccessful in making regulation measure more closely to its seeming possibilities, have we the right to expect to make even passable successes of our ventures into public ownership? Of course, one of our handicaps in making regulation effective is the non-coöperative attitude of the industry itself. Last year a commission appointed jointly by Governor Roosevelt and the New York legislature carried on a very intelligent inquiry into the operation of regulation in New York state. One result of this study was the immediate passage of 27 bills amending public service law. The utility companies, however, far from coöperating in these measures, many of them wholly nonpartisan, opposed them one and all and without one dissenting voice took the position that regulation as it was being practiced in New York was wholly satisfactory. So I regretfully conclude that in our revamping of regulation we will have to proceed actually in the face of fierce company opposition. I wish it was not so. On all those proper and logical steps such as we propose, we should have the active coöperation of the industry. We invite it but we shall not tarry for the lack of it.

REGULATION CAN BE IMPROVED

It is my thesis that as compared with the development of public ownership it is a relatively easy matter to bring about through a simple garden variety of regulation very great improvements both in the rates and service of our utility companies. I am talking about a result which can be effected sometimes within a few weeks—usually within a few months—whenever the voters decide they want it.

Four steps beyond the point where we are now—and no one of them difficult to take—would change the whole face of regulation:

1. We must have federal regulation of interstate power such as provided by the proposed Couzens Bill. The program must include *standardized* publicity of accounts for interstate holding corporations including their local operating companies. A recent report of the federal trade commission shows that on the average over 15 per cent of the current generated in a given state is exported out of that state and that, on the average, of the current consumed in a given state nearly 20 per cent of it is imported. In Pennsylvania we import nearly 27 per cent of the current consumed. This is a sizeable percentage of the total business and now lies wholly without the range of regulation.

2. We must give our commissions the power which the New Hampshire commission now has to call in experts on matters affecting the interests of any given company (such as a request for a

certificate of public convenience) and charge the expense of these experts against that company. This will be an offset to the present inadequacy of appropriations and will also make unnecessary the building of too large a permanent staff of specialists.

3. We must pass legislation which will permit the introduction of prudent investment by contract. Every operating company is dependent upon permits and privileges of one kind or another. All we have to do is to decline to issue any further permits to a given company unless it agrees that from this time forth it will agree to a valuation on a prudent investment basis. Let it get from the courts whatever determination it can as to the rate base covering expenditures already made. After following this plan for a very few years we will be able to go to the books of the company and determine the base on which the return is to be allowed. Then with cost-finding rates can be equitably determined as between different classes of service.

4. There must be no misunderstanding as to the essential difference between a public service commission and a court. Unless the public service commission can be given an administrative function, regulation will fail.

The most effective regulation calls for two regulating agencies as was suggested to the Pennsylvania legislature of 1925 by the Giant Power Board.[1] This is largely the plan being followed in Great Britain. A program somewhat comparable to this was presented to the Wisconsin legislature at its recent session. In addition to a fair rate board or commission to look after the interests of individual consumers and follow the details of company operation we should have a master planning board for matters electrical. Now such planning is too largely the result of inter-company manipulations largely, if not wholly, inspired by financial—not to say speculative—considerations. Great commonwealths in a matter as vital as is electrical development should have some agency on the watch tower planning out—not so much what is best for the next few years—as what will be best for the state a generation or two ahead.

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[1] The author of this article has on hand a few copies of the Report of the Giant Power Board which are available without charge to REVIEW readers.

OREGON VOTERS DEFEAT STATE ADMINISTRATIVE REORGANIZATION, BUT—

BY CHARLES McKINLEY
President, City Club of Portland

Voters overwhelmingly defeated consolidation amendment, but Governor Meier, elected by astounding majority, pushed integration before legislature with partial success and possibly more yet to come. ::

By a decisive majority the voters of Oregon last November refused to amend the state constitution to provide for the consolidation of all state administrative offices into nine departments. The plan, which was submitted by the legislature of 1929 to the voters, was the work largely of Hector MacPherson, a former member of the economics faculty of the Oregon State College. It was the culmination of years of intermittent agitation for a new set up, which began back in 1911 with W. S. U'Ren's and the People's Power League proposals. Efforts to secure a reorganization through legislative action alone had been made in 1919, when a special interim commission with the aid of Professors Mathews of the University of Illinois and Robert Leigh of Reed College had made a report pointing out the maladjustments in the Oregon situation and proposing a plan of integration. But the 1919 session of the legislature would have none of it. At nearly every subsequent session the issue was raised, but nothing happened until Hector MacPherson as a new member of the House in 1927 brought in a series of bills for revamping the whole structure.

While none of these were passed, MacPherson did further the process of educating the members to the problem, so that in the following session, 1929, two important things happened. First, the higher educational institutions (university, state college, and normal schools) were placed under the control of one board. The legislature had apparently become tired of the pulling and hauling of the friends of each institution for appropriations at every session. Secondly, a brief constitutional amendment covering the rest of the state administrative services was submitted for popular ratification or rejection and along with this measure was the creation of an interim commission of members of each house to study the comparative experience of other states with the "cabinet form of government" (as the plan was dubbed) and to work out an administrative code for putting the new scheme into operation. Mr. MacPherson was made chairman of this commission and bore the brunt of its activities and criticism.

The proposed amendment reduced the number of state elective officers from seven to three—governor, state treasurer and secretary of state; it made the governor the director of one of the nine departments (military affairs and state police) and left the other two officers with the duties imposed upon them by the constitution. Since the only duties given the secretary of state by that instrument were those of recording and auditing, most of the duties he had come to exercise would be available for distribution by the legislature among the nine departments. The state treasurer, who was left out of the consolidation because of the opposition of the incumbent, a very influential state politician, had no duties specified by the constitution, so that the legislature would have been free to re-allot his duties. The nine departments proposed were: agriculture, labor and industry, financial administration, commerce, education, public works and domain, health and public welfare, state police and military affairs, and legal affairs. The department of education was to be supervised by a board of nine (doubtless the recently created state board of higher education metamorphosed). The governor was to direct the police and military agencies and each of the other seven departments was to be directed by a single commissioner appointed by the governor with the consent of the senate.

PUBLIC OWNERSHIP ISSUE TAKES CENTER OF STAGE

The interim commission completed its comparative studies in the spring of 1930 and published its first report embodying the results of its investigations which were, on the whole, quite favorable to the cabinet plan. This was released March 1. But the publicity for this matter was relatively ineffective because of the emergence of another issue which seized hold of the public imagination. That was the utility and electric power issue. This had been crystallized by the candidacy of Senator George W. Joseph of Portland, an independent Republican of picturesque personality, who had gotten into a row with certain members of the Supreme Court in a notorious legal case, had criticized one judge with particular severity, and had just been recommended for disbarment for his impudence. Joseph, who had long criticized the public utilities and the state regulatory commission, now tossed his hat into the ring of the primary contest for the republican nomination for governor. It was a four-cornered fight. After a brief but hot campaign, with the Portland *Oregonian* and the "respectable" element denouncing Joseph, and Joseph replying with the demand for public ownership and development of hydroelectric power by the state and the abolition of the public service commission, Joseph won the nomination. The bitterness of the primary campaign had scarcely begun to moderate when Mr. Joseph died.

Immediately the public ownership issue revived, for it lay in the hands of the Republican State Central Committee to name the candidate to fill the vacancy. A Joseph myth, with a halo about the memory of the lost leader, quickly came into being and the demand came from many parts of the state for a candidate who would assume the Joseph mantle and take up his program on the power issue. Very quickly also the name of Julius Meier, a life-long associate of Joseph, and the head of the largest merchandising firm in the state, came to the front as the choice of Joseph's followers. When the State Central Committee met it showed much ineptitude in performing its task (such as casting its vote by secret ballot) and named Phil Metschan, hotel man and long the chairman of the State Central Committee, as the republican candidate for governor.[1] Immediately the Joseph followers nominated Meier as an independent candidate, and a spectacular campaign was on, with the ample funds of Mr. Meier and his family and friends, furnishing the wherewithal to dramatize the power issue and the Joseph platform.

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[1] See the article by James D. Barnett in the NATIONAL MUNICIPAL REVIEW, March, 1931, pp. 148 ff.

Everything else was pushed into a corner while Meier and Metschan, and Edward J. Bailey, the democratic candidate, occupied the center of the stage in a noisy verbal struggle over the power question.

This personal duel was reinforced by the discussion of a proposed constitutional amendment, initiated by the State Grange and the Joseph followers, which authorized the creation of water and utility districts throughout the state.

GRANGE AND LABOR OPPOSE CABINET MEASURE

There was little farmer interest in the cabinet government measure. Some of the grange leaders who were taking a prominent place in the power fight came out against the cabinet measure. The labor unions, through their state federation, also opposed the reorganization plan, filing an argument against it in the voter's pamphlet (which is sent by the secretary of state to every Oregon voter). While the labor people's opposition played upon the issue of "democracy versus autocracy" in government (and Hector MacPherson's infection with the monarchical ideas of Germany and England during his youth in the schools of those countries), the real basis of their opposition was probably their fear of losing their union influence in the naming of the commissioner of labor and industry, their possible loss of voice in the management of the industrial accident compensation work, and the spectacle of Governor Hartley's political machine in the state of Washington.

OTHER NEGATIVE FORCES

There were a good many business men and professional men who might have espoused the "cabinet" plan had they not thought of it in terms of Julius Meier, a renegade, in their view, from the safe and sane business community. Fearful of his election they could not accept a plan of state administration which would increase his power. Moreover the attack upon the public utility commission increased their uncertainty, for the amendment apparently placed the duties of this agency in the control of a single commissioner. Assurances that the amendment did not preclude the attachment of quasi legislative or judicial boards to departments did not remove these apprehensions.

It is needless to say that the multitude of state officers and boards which saw their autonomy threatened worked actively against the measure. Of particular value to them was the opinion of the attorney general (whose tenure would have been shortened by two years because of the abolition of that position as an elective office), that the proposed amendment would abolish the office of district attorney and vest the control of duties exercised by that officer in the governor's hands. This was perhaps the most telling criticism of the amendment for it aroused the suspicions of the legal fraternity generally and the sleeping prejudices for local control of law enforcement.

CITY CLUB PUSHES REORGANIZATION

The most influential group which endorsed the plan was probably the City Club of Portland; but its action and the report on the measure upon which its endorsement was based had scant effect upon Portland public sentiment. It is small wonder, therefore, that the electorate rejected the "cabinet form of government" amendment by a vote of 51,248 to 135,412. MacPherson was barely saved from defeat for reëlection to the house. Julius Meier, merchant prince, and champion of the cause of public development of hydro-electric power, was swept into office by an astounding majority.

NEW GOVERNOR SECURES SOME INTEGRATION

Two months later the new governor took office and the legislature began its work. But the legislature was a cowed and frightened assembly, for the "people's mandate" was in the governor's hands ready to be waved, like the wand of the fairy godmother; when presto! the legislature would grind out the law he demanded!

The new governor was not long in discovering that the business of administering the state's affairs was a much more complicated matter than bossing a department store. The police agencies of the state were controlled by six different offices. There was the prohibition unit under the governor's direction, the traffic police under the secretary of state, and the highway commission, the game wardens under the game commission, and fish wardens under the fish commission and the fire wardens under the state fire marshal. The governor did not like this. And so he asked for a law consolidating these police services in one expanded police department under his control. The legislature gave it to him. MacPherson and some of the farmers, and the governor's own experiences, soon convinced Mr. Meier that the agricultural agencies should be amalgamated. And so there was passed a measure which consolidated some thirteen agricultural commissions, boards and offices into one department of agriculture headed by a commissioner appointed by the governor. In keeping with the Joseph platform the public utilities commission was abolished, but in its stead was created a single headed department with much the same powers as the old commission.

The governor had scarcely got his breath after the legislature adjourned before he was plunged into a spectacular row over the control of the state institutions for dependents and delinquents, particularly over the management of the penitentiary. All these state establishments have operated for some years under the state board of control, made up of the governor, the secretary of state, and the state treasurer. The gentlemen holding the last two offices belonged to the regular Republican group and were quickly brought into an antagonistic relationship with the governor. This drama proceeded for some weeks with increasing friction and increasing insistence by the governor that his ideas with regard to management be adopted when the treasurer suddenly died. The governor thereupon filled the vacancy with his leading adviser, Rufus Holman. This reversed the situation and gave the governor control of the board. It is interesting to speculate whether the governor would have been driven to a demand for complete gubernatorial control over the state institutions had he continued in a minority on the state board of control.

Thus despite the defeat of the amendment to reorganize Oregon's state administration along functionally integrated and responsible lines, some measure of integration has been achieved through the action of the legislature. Oregon is much more fortunate, in the legal conditions controlling this matter than many states. It is quite possible, merely by legislative action, to achieve a very drastic revamping of the whole structure. But the legislature has been most unwilling to act. Every state officer has had some friend or friends in the legislature to look out for his interests. The astonishing change manifested by the recent session is due to the remarkable popular prestige of the new governor. Should this emotion last and should Governor Meier become increasingly interested in efficient administrative arrangements, of which his brief political career has manifested symptoms, it is possible that the next session of the legislature may push the changes in state administration far along toward the objective intended by the late lamented cabinet form of government amendment.

MUNICIPAL AFFAIRS IN INDIA

BY JOHN A. FAIRLIE

University of Illinois

Professor Fairlie has recently returned from an extended world tour. In this article he describes the curious mingling of the East and the West in the municipal governments of India. :: :: :: ::

INDIA is primarily an agricultural country, whose inhabitants live mainly in countless villages, and only a small percentage of the total population of 325,000,000 are in cities of considerable size. But it has two cities (Bombay and Calcutta) of a million and more, and a score of cities of over 100,000; and it is of interest to note something of municipal conditions and problems in these cities, and to learn how far western methods are being adopted in these Asiatic communities. Considerable progress has been made in the application of modern methods, not only in the cities of British India, but also in cities of the Indian states. At the same time there are retained many features of the older and native civilization, which often result in striking contrasts.

OLD AND NEW MINGLED

Obvious contrasts first appear between the broad well paved streets in the European and outlying sections and the narrow streets and crowded conditions in the older native quarters. Motor cars, motor buses and electric trams mingle with small horse vehicles, bullock carts, and man-drawn rickshaws; and, in some cities camels, and even elephants, add to the congestion and the problem of traffic regulation. The larger cities and a considerable number of smaller places have good water supplies and drainage systems, though not always adequate in extent. Electric lights are common, but by no means universal; and some sizeable cities still depend on oil for illumination.

There are large and attractive parks, with interesting botanical and zoölogical collections, and provision for athletic games; also public markets, substantial municipal and other public buildings, and modernized fire brigades in some cities. There are many government, municipal and other hospitals; and much has been done to improve sanitary and health conditions; but birth and death rates are high (in most cities the death rate is higher than the rate of reported births); and housing conditions for much of the native population are far from satisfactory. Many schools and colleges are in evidence; but are far from adequate for the total native population even in the cities.

MUNICIPAL GOVERNMENT UNDER NATIVE CONTROL

Municipal government is controlled by the native population, with a few

Europeans in technical position. Some municipal councils have a Congress or Swaraj majority. These councils often contain elements of communal and functional representation; the latter element is especially important in the special bodies for the central ports and harbors. Calcutta has something like a city manager; and the administrative staffs seem to be generally on a fixed basis.

P. & A. Photos (London Bureau)

THE TRAFFIC COP IN INDIA

In the larger cities, municipal administration seems to be fairly stable and moderately efficient, though not up to the best western standards, and with some tendency to political discussion and manoeuvering. In the smaller municipalities the standards and results are less satisfactory, but with signs of improvement. Recent reports on municipal government in several provinces note laxity in collecting taxes and other revenues; and in a good many places the finances show a deficit. On the other hand, the Bombay presidency report notes that "the number of individual councillors who are willing to devote their time and thought without payment with the single purpose of serving their fellow citizens, though far too small, is slowly growing." In the Madras presidency, a conference of municipal officials in December, 1930, was attended by 150 from all parts of the province.

Police forces in cities are controlled by the provincial governments. These are well organized, trained and disciplined; and at least in some provinces are composed of men from other provinces less subject to local influences. Traffic regulation is an important phase of their work in the cities. In dealing with the civil disobedience movement, there have been frequent arrests of Congress leaders and journalists on charges of sedition, and also forcible suppression of proscribed demonstrations in which considerable numbers have been injured. The police have been much criticized for these actions by supporters of the Congress party; but the important question is that of general policy as between the government and the instigators of the civil disobedience movement. Several officials and others have been killed. From time to time there are racial and religious disturbances, occasionally approaching a serious riot, between Hindus and Mohammedans, and in Rangoon between Burmese and Chinese.

CALCUTTA

At the census of 1921, Calcutta had a population of over 900,000; but including the suburbs it has well over a million inhabitants. In the middle of the eighteenth century the population was estimated at over 400,000; and, for a long time the capital city for the government of British India, it was the largest and most important city of India. The history of its local government begins in the eighteenth century with appointed officials; but in 1847 a board of seven commissioners was established, four elected by the ratepayers. In 1876 a new corporation was created with 72 members, of whom 48 were elected and 24 appointed. Further changes were made in 1888, 1899 and 1923.

In the latter year the boundaries of the city were enlarged and the voting franchise extended. Since that time the municipal corporation has consisted of 90 members, of whom 63 are elected, 48 by the general class of voters from 32 wards, and 15 by Mohammedans, from 7 districts. Twelve members are chosen by the Chamber of Commerce, the Port Commission and the Calcutta Trades Association; ten are appointed by the provincial government; and five aldermen are coöpted by the other members. All are chosen for three-year terms. This council elects a mayor, deputy mayor, chief executive officer and other officials. The council also elects three members of the Calcutta Improvement Trust, one member of the Calcutta Port Trust, representative to the Bengal legislative council; and members to various governing bodies and committees on hospitals and other institutions. It has seven general standing committees, four district committees, a primary education committee and a provident trust committee. Politically the council has a majority of Swaraj members. Twelve members have European names.

The mayor is chairman of the council. Since 1923 there have been four mayors, one serving for five years. But the general supervision of the municipal services is under the direction of a chief executive officer, chosen by the council, subject to the approval of the provincial government. The present holder of this office has held the post for five years, at first as an acting official. Before that, he had been secretary of the corporation for three years, vice-chairman for two years, and the first deputy executive officer. His position has some resemblance to that of city manager, overseeing the various branches of municipal administration, and making appointments to subordinate posts. The higher positions are filled by the committees or the council; and the chief engineer and the health officer must be approved by the provincial government.

The present secretary of the corporation has held this position since 1922, and had been acting secretary for some time before. The present chief engineer was chosen in 1922, after having been acting as such for some time; and the present health officer was chosen in 1927, also after acting as such. Only half a dozen officials have European names (including the treasurer and chief engineer) and one of these recently appointed is a German. The mayor, chief executive officer, and other officials are native Indians.

Municipal institutions include: birth registration offices and vaccination stations, animal vaccine depot, municipal dispensaries, maternity homes, milk kitchens, seven slaughter houses, seven markets, two crematories, motor vehicle garages, a municipal railway (for the removal of refuse) workshops, water supply and drainage pumping stations, and 218 primary schools.

The central business and suburban sections have broad, well paved streets, and substantial public and private buildings. North of the central business section is an extensive park, called the Maidan, some two miles long by half a mile wide, which is a valuable breathing place for the city. The water supply comes from the Hooghly river, but the filtration plant is not adequate, and there is also an unfiltered supply. The primary schools have about 26,000 children.

Electric light, a good electric street railway service, and local motor bus lines are furnished by private companies, under licenses from the provincial government. A scheme for a municipal electrical supply is under consideration.

The corporation is required to spend certain amounts each year for primary education and for improvement works in areas recently added to the city. Specific powers have been given to establish municipal dairies, cowsheds and grazing grounds, and to take other steps for improving the milk supply, most of which comes from cattle kept within the city. Powers have also been granted to provide funds for playgrounds, and to open depots and shops for trading in foodstuffs, cloth, fuel and other necessaries of life in an emergency, with the sanction of the local government department of the provincial government. Building construction is regulated.

Two other agencies dealing with local matters are the Calcutta Improvement Trust and the Calcutta Port Commission. The Improvement Trust consists of eleven members, six appointed by the provincial government (one of whom is the chief executive officer and two are members of the council), three selected by the municipal council, one by the Bengal Chamber of Commerce and one by the Bengal National Chamber of Commerce. This body has charge of street and other improvement schemes, and receives one-tenth of the municipal tax revenue. In connection with such improvements it may acquire land in addition to that needed for the street improvement, and sell the excess. In some cases betterment assessments are levied on benefited property.

The Calcutta Port Trust, established in 1870 and reorganized in 1890, consists of a chairman, deputy chairman and fourteen commissioners of whom five are appointed by the government of Bengal, six by the Bengal Chamber of Commerce, and one each by the Calcutta Trades Association and the municipal corporation. It has charge of harbor improvements, by deepening the river, building wharves or jetties, and enclosed docks, with warehouses, oil depots and other facilities.

BOMBAY

With a population of more than a million in 1921, Bombay is now a larger city than Calcutta, and is also a city of greater wealth and commercial activity. Its growth has been definitely due to the connection with England. When granted by the Portuguese as part of the dowry of Catherine of Braganza on her marriage to Charles II it was of very minor importance; and has developed with the expansion of trade and industry.

In its physical aspects, it presents to the visitor much the appearance of a prosperous European city, with broad main streets, well laid out, and kept in an excellent condition. Imposing public and business buildings, and magnificent residences, of wealthy Parsees and Indian princes give an impression of prosperity. The cotton mills are of a monotonous type of construction; and the native quarters, though picturesque, are narrow, tortuous and crowded. However, some attention has been given to improved housing conditions.

The water supply, from a lake fifty miles away, was until recently unfiltered; but since 1924 filtration works have been constructed, with reservoirs, furnishing a supply of 90 million gallons a day. A hydro-electric scheme for the development of 80,000 horse power has recently been undertaken.

Much of the present city is built on land reclaimed from the water, uniting several islands into one. The Victoria gardens are on reclaimed land, and there are attractive drives along the waterfront.

Underwood & Underwood

THE MUNICIPAL OFFICES, BOMBAY

A good deal has been done in the way of sanitation and health improvement and the death rate (22 per thousand) is the lowest for the larger cities of India. The milk supply comes from cattle kept within the city, but a plan to secure milk from the country has been under consideration.

The municipal corporation consists of 106 members, 76 elected by wards; 4

appointed by the Chamber of Commerce, the Indian Merchants' Association, the Mill Owners' Association and the university; 16 appointed by the provincial government; and 10 coöpted. This has a series of standing committees and a schools committee. A municipal commissioner appointed by the provincial government has supreme executive authority. The conduct of municipal affairs is said to be fairly good, though the council sometimes takes part in general political discussions.

As in Calcutta there are two special agencies dealing with important local matters. The Port Trust established in 1873 succeeded the Elphinstone Land and Press Company, organized in 1862. As reorganized in 1879, the Port Trust consists of a chairman and 20 members; 7 appointed by the provincial government, 5 by the Chamber of Commerce, 5 by the Indian Merchants' Association, 2 by the municipal corporation, and 1 by the Mill Owners' Association. This has charge of harbor improvements including docks, wharves, pilotage and port regulations, and also of land reclamation schemes, a new project being now under way.

The Improvement Trust, formed in 1896, has undertaken other schemes for land reclamation and development. This consists of 14 members: four appointed by the municipal corporation, one each by the Chamber of Commerce, Mill Owners' Association and Port Trust, and seven ex officio or nominated by the provincial government.

MADRAS

Third in population of Indian cities, with half a million inhabitants, Madras was the first center of the East India Company, and the earliest municipal corporation to be established; but it has relatively lost ground to Bombay and Calcutta. With about half the population of these cities, it occupies a larger area than Bombay and but little less than Calcutta, extending nine miles along the coast and from two to four miles wide. The main streets are broad and well paved and the Marina drive along the seafront and the People's Park are attractive recreation centers. There is a good water supply from Red Hills Lake, seven miles distant, constructed from 1868 to 1882.

There are substantial public and private buildings; but the general impression is that of arrested development. While the Madras presidency ranks next in population to Bengal, foreign trade is much less and the harbor is small and less active. The local street railway service is inferior to those of the larger cities. The native quarters, as in other Indian cities, are narrow and crowded.

The municipal corporation is composed of a president appointed by the provincial government and fifty councillors: 41 are elected by the ratepayers and public bodies, and 9 are appointed by the provincial government.

As in Bombay and Calcutta there is a special Port Trust Board, organized under an act of 1905 and amended in 1919. This consists of 14 members; 6 appointed by the provincial government, 4 by the Madras Chamber of Commerce, 2 by the South India Chamber of Commerce, and 2 by the Trades Association.

RECENT BOOKS REVIEWED

NEIGHBORHOODS OF SMALL HOMES. By Robert Whitten and Thomas Adams. Volume III of the Harvard City Planning Studies. Cambridge: Harvard University Press, 1931.

The pleasure afforded by reading this new volume of the Harvard City Planning Studies is tempered only by the certainty that no brief review will do it justice. The research deals with an important and difficult subject confronting the city planner—and a matter of interest and concern to realtors, investors, home owners, administrators, and others. The information collected is valuable and is particularly well presented and arranged.

The sub-title, "Economic Density of Low-Cost Housing in America and England," indicates the general scope and purpose of the report. Collection of data in the United States was limited to cities in the north-central and eastern states—a desirably large area—and no cities of over a million population were included, except that figures for Boston cover the entire metropolitan area. Studies were made in seventy-three cities of from 30,000 to 1,000,000 population.

The volume is in two parts—the first, by Robert Whitten, deals with conditions in the United States, and the second, by Thomas Adams, describes conditions in England. The two studies follow the same general direction except in so far as the basic data available compelled divergency of approach.

Two chapters of the American discussion take up the existing demand for small houses and low-rent apartments and the present situation as to the building of low-cost houses. There are statistics on: rental expenditures in the various income groups, the trend toward apartment-houses, family investment in housing, home-ownership and family income, and the housing of the lower-income classes. Interesting figures are given as to acreage cost of land when ripe for building development, both as average and as separate figures for cities of varying population. One of the conclusions drawn from these comparative data is summarized as follows: "It is evident that for low and medium-cost houses acreage values in tracts ripe for building tend to increase directly with the housing density customary to a particular city. Smaller lots do not necessarily mean cheaper houses. The development of a district in smaller lots may result in such a great increase in acreage values that the fifteen-foot lot will cost as much as the former 40-foot lot."

Inferences and conclusions drawn from the data are numerous and valuable, but scarcely to be contained in a review. The reader should follow the author through the mass of figures, checking as he goes, to fully evaluate the book. Such a careful reading will be well repaid, not only in factual knowledge gained but in the many ramifications of the subject suggested by the data.

Mr. Whitten's chapter on Planning as Affecting Improvement Costs and Community Values is especially significant. Comparatively simple mathematics and a great deal of intelligence and ingenuity on the part of a few planners, builders, and architects, have resulted in the creation of several socially desirable and economically profitable community developments in America and this chapter shows some of the background of study and figures on which they were built.

Treatment of the English housing schemes affords valuable opportunities for comparison with data for the United States. Mr. Adams summarizes English housing legislation and this at once points the difference between the two situations, for England has gone far in subsidizing housing for the lower income groups, a policy always regarded with considerable disfavor in this country.

RUSSELL VAN NEST BLACK.

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REPORT ON TAXATION IN WEST VIRGINIA. Submitted to the Governor of West Virginia by Roy G. Blakey. 1931. 452 pp.

"Because of the diversity of opinion on the tax situation and its possible remedies in West Virginia," Governor William G. Conley engaged Professor Roy G. Blakey, tax expert of the University of Minnesota, to make an impartial and unprejudiced survey of the state and local tax situation. In a document of more than 400 pages, Professor Blakey presents findings that analyze in a careful and comprehensive manner each important state and local tax. A significant part of the report is the review of the experiences of other states, particularly of those features of their tax systems which it was believed would prove helpful to West Virginia in working out a solution of her tax problem.

In his recommendations, Professor Blakey emphasizes that "the putting of the property tax upon a sound and equitable base is the most important task now before the state." While he recognizes that other state taxes need changing, he feels strongly that "most can be accomplished at this time by concentrating all attention and all energies upon the one big task and by refusing to be distracted by lesser matters, however meritorious they may be." Since the administration of the general property tax is "very antiquated, inefficient, and inequitable," the report urges a thorough reassessment of all property in the state, and the granting to the state tax commission of ample authority, funds, and moral support to maintain adequate supervision over all assessments and equalization.

When the time is opportune, the author recommends that the state consider the following: a constitutional amendment providing for low rate, or income, taxation of intangibles; special treatment of growing timber; in place of the general sales tax, an excise tax upon all occupations, measured by net income, with rates high enough to result in no substantial decrease in revenue (a modern general income tax should be considered later); the increase of the inheritance tax rates upon the larger legacies going to remote relatives and strangers up to a maximum rate of 20 per cent; the increase of the gasoline tax from four to five cents per gallon; the enacting of future tax legislation in the general direction of the National Tax Association's model system, in so far as suitable to the West Virginia situation.

While the report focuses attention upon improving the administration of the general property tax, it gives at the same time detailed consideration to such other important features of state taxation as sales taxes, state income taxes, inheritance and estate taxes, gasoline and motor vehicle taxes, and taxation of forests. The author presents a careful discussion that covers both the theoretical and practical aspects of these several methods of taxation.

The entire document is commendable for its unprejudiced and impartial character.

MARTIN L. FAUST.

MUNICIPAL REPORTS

AUSTIN, TEXAS. *Report of the City Manager.* By Adam R. Johnson, City Manager. 91 pp.

TWO RIVERS, WISCONSIN. *Fifth Annual Report.* By E. J. Donnelly, City Manager. 58 pp.

WICHITA, KANSAS. *Report of City Manager.* By Bert C. Wells, City Manager. 70 pp.

These three reports from cities varying greatly in size are about equal in merit, with the odds slightly in favor of the Two Rivers report. They were all issued approximately three months after the close of the period which they cover.

Each report contains a list of outstanding accomplishments for the period covered, and from them we learn that the city of Austin has established complete budget control over all revenues of the city and installed a centralized accounting system which yields a daily accounting of all receipts, disbursements, and budget appropriations, inaugurated police and fire schools, and required mental and physical examinations of all applicants for the police and fire departments. From the Two Rivers report we observe that the city established a nursery, completed a comprehensive sewer survey, and purchased additional school sites. Wichita purchased a sixteen and one-half acre tract for a new city park, constructed two new fire stations, and began the construction of an important grade separation and a new sewage disposal plant.

By way of comparative statistics, the Two Rivers report easily leads the other two, for it gives comparative figures for all statistics of any importance, and in most instances for at least five years. Fire losses are given for each year since 1926 in spite of the fact that for the current year the loss was greatly in excess of any previous year. It is, therefore, evident that no attempt was made to conceal the facts. Such honesty in reporting is highly commendable and cannot help but create an attitude of confidence on the part of the citizenry of that community. Paramount even to intelligent and understandable reporting is the necessity for uncompromising honesty on the part of the report writer if confidence in public officials is to be attained.

CLARENCE E. RIDLEY.

The University of Chicago.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Minnesota Year Book.—Minneapolis, 1931. 392 pp. It seems incredible that one slim volume could contain as much material as this does. Six pages of table of contents and a detailed index only hint at the comprehensiveness of the important and useful information about Minnesota, published in this Year Book by the League of Minnesota Municipalities. Facts and lists are made interesting with pictures, diagrams and tables. The material so thoroughly treated includes state government in all its departments, county government, local government, taxation and finance, public utilities, fire insurance rates, election procedure, regulation of business and occupations, organizations and associations, population statistics, and the constitution with proposed amendments. It may be hoped that other states will follow the example of Minnesota in the regular publication of such an intensely valuable book. (Apply to League of Minnesota Municipalities, University Library, Minneapolis.)

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American Civic Annual.—Edited by Harlean James. Washington, D. C., 1931. 350 pp. The third volume of the series contains a number of short articles on the various aspects of the intelligent use of the natural resources of the United States—urban and rural. Outstanding leaders contribute papers on our national and state parks and forests, planning development, roadside beautification, public buildings, and other evidences of recent civic advance. The book also contains a list of members of the Association, all of whom are elected on the basis of their civic achievement. (Apply to American Civic Association, Inc., Union Trust Building, Washington, D. C. Price $5.00.)

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Report on the Child Offender in the Federal System of Justice.—National Commission on Law Observance and Enforcement, Report No. 6, 1931. 175 pp. with tables and maps. The study on which this report is based was made under the joint auspices of the Commission and the White House Conference on Child Health and Protection. Directed by Dr. Miriam Van Waters, the investigations have concerned the problems presented by the child offender to the states and to the federal government. This report, which covers the latter section of the study, reveals an undesirable state of affairs greatly in need of adjustment.

The creation and development of the juvenile court in the United States has been made possible by a line plainly drawn between child and adult in the state law. This clear distinction, the report points out, has never been made in federal law. The child approaches the court of the United States on the same footing as the adult. Child offenders are constantly being brought before the federal courts, however, and imprisoned for breaking federal laws. The great majority of these juvenile offenders are typical delinquency cases which only by accident have fallen within the federal jurisdiction.

Neither the federal system of justice, the federal probation machinery, nor federal institutions has the equipment and the facilities necessary to give child offenders the peculiar consideration which they should receive. Many of them are confined, while awaiting trial or after sentence, in local jails which do not provide for the effective separation of child and adult. They are committed for longer terms to federal penitentiaries where no distinctive treatment can be applied to minors, or to institutions, located often thousands of miles from their homes, where individualization of treatment is entirely lacking.

The federal government, the report concludes, is not equipped to serve as a guardian to the delinquent child and should not assume this task. It should be impowered to withdraw from the prosecution of juveniles and leave the treatment of their cases to the juvenile courts or other welfare agencies of their own states. (Apply to Superintendent of Documents, Washington, D. C. Price 40 cents.)

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The Detroit House of Correction Organization of a Welfare Department.—Detroit Bureau of Governmental Research, 1931. 31 pp. The commissioners of the House of Correction asked the Bureau and the Community Union to survey its welfare work and to make recommendations for improvement. This report is, therefore, a description of the work as now maintained, and detailed suggestions for better organization. Especially important is a reorganization of the work to use more effectively the personnel available, and the listing of requirements for new members for the administrative or clerical work of the department. (Apply to Detroit Bureau of Governmental Research, Detroit, Michigan.)

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Program-Conference on University Training for the National Service.—University of Minnesota, 1931. 32 pp. The University of Minnesota, the United States civil service commission and other agencies of the national government sponsored this conference to consider the career aspects of national civil service, university-training for these positions and the relationship between government and university. Emphasis was placed on the fields of agriculture, forestry, law, economics and statistics, public welfare, physics and chemistry, social welfare, engineering and consular and diplomatic service. The main part of this pamphlet is devoted to a table showing the number of positions in each class in the United States professional and scientific service, with the salary range, the department or bureau concerned and the number of positions in field and District of Columbia. (Apply to University of Minnesota, Minneapolis.)

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The Cost of County Government.—Detroit, Michigan, 1931. 24 pp. The department of systems and reports of Wayne County have prepared this analysis of expenditures 1926–1930 under the direction of the board of auditors. Tables setting forth actual expenditures for each function of county government and their relation to the total emphasize the analysis. In this five-year period, Wayne County has doubled its annual expenditure, due particularly to expanded functions. Administrative costs have not increased in proportion to the entire budget. (Apply to Board of County Auditors, Detroit, Wayne County, Michigan.)

Proceedings of the Seventeenth Annual Conference on Highway Engineering.—University of Michigan, 1931. 221 pp. This is the report of the 1931 conference of the University of Michigan College of Engineering coöperating with the state highway department and the Michigan Association of Road Commissioners and Engineers. Topics discussed include the licensing of automobile drivers, aerial highway surveys, concrete pavement design, low cost bituminous surfaces, low cost bridges, highway economics, frost heaves in Michigan, soil science applied to Michigan highway engineering, repairing pavement settlements and others. (Apply to University of Michigan Press, Ann Arbor, Michigan.)

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Survey of the Pasadena City Schools.—California Taxpayers' Association, 1931. 331 pp. with tables and charts. The board of education requested this survey which was under the direction of Harold A. Stone. Other research workers including educational specialists assisted. The comprehensive and detailed study covers organization and administration, finance, educational program, teaching costs, business management, schoolhousing and building program. Each of the forty chapters closes with the summary of the findings and frequently with further recommendations. The volume is now published with a number of footnotes pointing out recommendations already put into practice. (Apply to California Taxpayers' Association, 775 Subway Terminal Building, Los Angeles, California. Price $2.00.)

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Annual Report of the Department of Waste Collection 1930.—Cincinnati, 1931. 32 pp. John R. Manion, superintendent of the waste collection department, has put in his annual report a collection of tables and statistics which are particularly interesting for the thoroughness in which the unit costs have been secured. The efficiency of this department is measured by the 70 per cent reduction in complaints as well as noteworthy economy in operation. (Apply to John R. Manion, Waste Collection Department, City Hall, Cincinnati, Ohio.)

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE

Professor of Law, New York University

Zoning—Recent Decisions of the New York Court of Appeals Defining the Limits of the Power to Restrict the Use of Property by Zoning.—The Court of Appeals of New York has recently decided four important cases which go a long way to protect the property owner's rights as against too stringent restrictions in zoning ordinances. In two of these cases, the court carefully pointed out that aesthetics, as yet, is not a proper basis for the districting and zoning of a municipality. In the *Matter of Eaton* v. *Sweeny, Comr. of Public Safety,* 257 N. Y. 176, 177 N. E. 412, the city of Saratoga Springs had zoned plaintiff's land in a "C" district which permitted the construction of only a private dwelling, boarding house, sanitarium, or hotel. The property of the plaintiff faced on the main street near the business and civic center of the city and for many years had been used solely for parking cars and conducting a taxicab business. The evidence showed that the principal purpose in enforcing the ordinance against the plaintiff's property was that the appearance of the neighborhood would be improved. In granting the plaintiff an alternative order of mandamus in order that the questions of fact in the case be determined, the court stated that the zoning restrictions were unreasonable and arbitrary as to plaintiff, since the ordinance would deprive him of any profitable use of his property merely to beautify the appearance of the city. The court pointed out that while aesthetic considerations may be considered in formulating a general zoning plan, it cannot be made the sole basis and that no zoning ordinance can be upheld if the direct result is to render private property valueless.

In *Dowsey* v. *Village of Kensington,* 257 N. Y. 221, 177 N. E. 427, the plaintiff sought a declaration by the court that the village zoning ordinance was void. In this case practically all the territory of the village including plaintiff's land had been put into a district restricted to the erection of dwelling homes, churches, schools and civic buildings. The plaintiff's property in this case lay in the outskirts of the village on the main traveled highway along which, before it enters the village, are many business buildings and apartment houses. The court affirmed the finding of the lower court that the restriction of the plaintiff's property to one-family houses was unreasonable and confiscatory. Here again, the evidence showed that the main purpose of the ordinance as applied to the land in question was to maintain the rural character of the village as a whole.

The village in this case set up that the plaintiff could not thus attack the validity of the ordinance till she had exhausted her administrative remedies by application for a permit, and an appeal to the board of zoning appeals. The court holds that the rule contended for does not apply where as in the instant case the restriction itself constitutes an invasion of property rights of the plaintiff.[1] In contrast to the Kensington case, is the recent decision of the Appellate Division, Second Department, in a case involving the general zoning ordinance of the village of Scarsdale, which restricts business structures and apartment houses to a small district in the immediate vicinity of the railroad stations (*Matter of Fox Meadow Estates, Inc.* v. *Culley, Building Inspector,* 233 App. Div. 250, 252 N. Y. S. 178). This decision reversed the judgment of the lower court which held that the ordinance was unreasonable and invalid. In this case the lands open for apartment and business uses comprised less than one-half of one per cent of the area of the village, but the court held that under the peculiar conditions the zoning ordinance was reasonable and did not deprive the plaintiff of the beneficial use of his lands. Upon the general power of the village to zone, the court said:

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[1] See contrary view in New Jersey and Pennsylvania: Lutz v. Kaltenbach, 101 N.J.L. 316, 128 Atl. 421, 129 Atl. 926, 131 Atl. 899 (1925); Taylor v. Moore, 303 Pa. 469, 154 Atl. 799 (1931). The latter case is noted in the September, 1931, issue of this Review at page 539.

> The power of a municipality to determine for itself what plans are necessary to promote the public health, morals, safety, and the welfare, convenience and general prosperity of its people is a legislative question, which may not be interfered with by the courts except in rare instances.[1] We find nothing in the nature of things unreasonable and discriminatory in this case. Generally, in cases of this kind, there is resulting loss to individuals where there is public benefit. Those conditions are incident to legislation of this character, but they furnish no ground for a declaration of unconstitutionality. There is no rule or standard found in other municipalities that may be inexorably applied to this village. It may adopt plans suitable to its own peculiar location and needs, acting reasonably.

In the case of the *People ex rel. St. Albans-Springfield Corporation* v. *Connell*, 257 N. Y. 73, 177 N. E. 313, the question arose as to whether the trial court was limited to review the *jurisdiction* of the board of standards and appeals of New York City in denying an application for a variation of the zoning ordinance or whether it could review and hear *new testimony and make its own decision of the matter*. The facts showed that the relator owned a certain lot in the city (in a section of New York which curiously enough is still rural), that the people in the vicinity were transported by bus and automobile since other transit facilities were lacking, that its property was placed in a business district, and that being unable to dispose of it profitably it had asked the board of standards and appeals to allow it to erect a gasoline station on its corner lot. This application of the relator was denied. The lower court ordered the referee to take testimony as to the practical difficulties and unnecessary hardships in the case. The referee reported that the site in question was not suitable for the erection of a business building of any character whatever and that a gasoline service station was the only available use to which the property in question could be put. The court confirmed the referee's report and permitted the relator to place a gasoline station on its lot. The board of standards and appeals contended that the court had no right to review the board's decision in the above manner and that it is limited to a review of the board's jurisdiction. The Court of Appeals held that it was within the power of the supreme court to review the decision of the board,[2] but cautioned that the court should proceed with extreme care so as not to substitute its own discretion for that of the board. Judge Crane, in referring to the province of the board of standards and appeals says that its "judgment should be final unless it clearly appears to be arbitrary or contrary to the law. The powers of the board, as outlined in section 719 [Greater New York Charter] are very largely administrative, including much that has to do with the zoning situation. The courts must not trespass upon this administrative work, but confine their review to correcting legal errors."[3] The court in its decision, however, modified the order of the supreme court and held that the relator should only be permitted to use its premises for a gasoline station so long as the neighborhood remains substantially the same, and that, if a change takes place, then upon application of the authorities or any one interested the gasoline station must be removed.

In *Town of Islip* v. *Summers Coal and Lumber Co.*, 257 N. Y. 167, 177 N. E. 409, the Court of Appeals affirmed the judgment of the trial court, which had been reversed in the appellate division, upholding an ordinance of the town which provided for a setback of ten feet for that part of one of the main streets of the village which was zoned for business purposes. In the absence of facts in the record showing such a restriction to be unreasonable the court refuses to declare the ordinance invalid. The court cites and follows the decision of the Supreme Court of the United States in *Gorieb* v. *Fox*, 274 U. S. 603 (1926) in which reasonable setback lines in a residence district were attacked. The Supreme Court in that case indicated that it would not set aside the decision of the highest court of the state which had adjudged such restrictions to be valid, unless it were plainly shown that they were "clearly arbitrary and unreasonable, having no substantial relation to the public health, safety, morals or general welfare."

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[1] The court cited the following cases: Matter of Wulfsohn v. Burden, 241 N. Y. 288; Euclid v. Ambler Realty Co., 272 U. S. 365; Zahn v. Board of Public Works, 274 U. S. 325.

[2] The court cited §719a (4) of the Greater New York Charter: "If, upon the hearing [before the Supreme Court], it shall appear to the court that testimony is necessary for the proper diposition of the matter, it may take evidence or appoint a referee to take such evidence as it may direct and report the same to the court with his findings of fact and conclusions of law, which shall constitute a part of the proceedings upon which determinations of the court shall be made. The court may reverse or affirm, wholly or partly, or may modify the decision brought up for review."

[3] See Dr. Freund's article on the Power of Zoning Boards of Appeals to Grant Variations, in the September 1931 issue of the NATIONAL MUNICIPAL REVIEW.

ADRIAN SELIGMAN.

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Police Power of Cities—Review of Recent State Decisions by the Supreme Court of the United States.—On the current docket of the Supreme Court are four very interesting cases raising questions as to the constitutionality of charter provisions and municipal ordinances. Perhaps the most important of these is No. 181, *Marblehead Land Company* v. *Los Angeles*, 47 Fed. (2d) 528, a petition for certiorari from the Circuit Court of Appeals, Ninth Circuit, which concerns the validity of a zoning ordinance prohibiting the continuance of oil drilling upon unimproved lands in an outlying section of the city. The decision of the lower court is reviewed in the April, 1931 number of the REVIEW.

A second case, *Walnut & Quince Streets Corporation* v. *Mills*, 154 Atl. 29, No. 105, comes for review by appeal from the Supreme Court of Pennsylvania and involves the validity of a provision of the Philadelphia Charter of 1915 establishing a board known as the "art jury" which is empowered to regulate by license encroachments upon the public streets by way of signs, ornamental fronts, etc. This case was reported in the June, 1931, Judicial Decisions of this REVIEW.

A third case, No. 63, from the Supreme Court of Ohio, *Hodge Drive-It-Yourself Co.* v. *Cincinnati*, 175 N. E. 196, was the subject of a note in our April, 1931, Judicial Decisions. The state court sustained the validity of an ordinance requiring companies renting cars to be driven by the persons hiring them to take out liability insurance or to file an idemnity bond as prerequisite to a license to operate such cars upon the public streets. The case involves the nice question whether such companies under the law are using the highways for profit. As similar ordinances have been enacted in several cities, the question is one of general interest. A statute requiring similar security to be given by companies engaged in the business of renting cars was declared to be invalid by the Supreme Court of Wisconsin in *Watts* v. *Rent-A-Ford Co.*, 236 N. W. 521, decided last May, because its application was limited to cities, and not made general as required by the state constitution. But in that case the court said that the object of the statute clearly falls within the police power and should be upheld if extended to all municipalities.

The fourth case, No. 353, *Schick* v. *New Orleans*, 49 F. (2d) 870, raises the comparatively simple question of the validity of an ordinance requiring firms engaged in moving furniture or household effects of persons changing their residences to file a report of the fact within one day with the chief of police. The purpose of the ordinance is to protect insurers or creditors having a lien upon or other property interest in the goods against the clandestine moving and concealment of them. It is aimed at the protection of property rights and the detection of crime. No particular burden is placed upon the persons it affects as blanks for such reports are furnished by the city. The ordinance has been declared valid both by the Supreme Court of Louisiana (167 La. 674, 120 So. 47) and by the Circuit Court of Appeals, Fifth Circuit (49 Fed. [2d] 870).

Whether the Supreme Court will entertain these appeals will be decided at an early date. If the Court refuses to review any of these decisions, the judgment of the lower court will stand as final.

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Contracts—Requirement of Competitive Bidding as Applied to Services Rendered by a Corporation.—It has been uniformly held that statutes general in their terms requiring competitive bidding upon public contracts do not apply to contracts for the employment of engineers, physicians, attorneys or others who are to render professional services. In an early New York decision the court construed a statute which required that every contract of a municipal corporation for work to cost more than $2,500 should be let to the lowest responsible bidder as not intended to include professional services (*People* v. *Flagg*, 17 N. Y. 584). This decision has been quite generally followed and the principle applied to the employment of architects, artists and accountants (*Tackett* v. *Middleton*, [Tex. Comm. App.] 280 S. W. 563, 44 A.L.R. 1143 and note).

In *Johnson-Olmsted Realty Co.* v. *Denver*, 1 Pac. (2d) 929 the question arose whether the rule excepting professional services from the purview of such a statute should be applied to a contract with a private corporation, organized to practice architecture. The city had entered into a contract with an incorporated association made up of licensed architects known as The Allied Architects, Inc., which proposed to furnish the services of three architects and a superintendent of construction on municipal work. While the court seems to favor the plaintiff's contention that under the laws of Colorado a corporation may not practice architecture, it based its finding that the contract was invalid directly upon the ground that the sections of the charter requiring competitive bidding apply to all contracts by which any services of a non-professional character are to be performed. It had earlier been held in *Colorado Springs* v. *Covay,* 25 Colo. App. 460, 139 Pac. 1031, that the employment of a building superintendent on public work came within requirement of competitive bidding, the work being considered to be of a non-professional nature.

The only other decision apparently in point is that of the Comptroller General of the United States (A-28907) given in 1929, which held that under a statute requiring competitive bidding but expressly excluding contracts for personal services the commissioners of the District of Columbia had no authority to make a contract with an incorporated association of architects except by competitive bidding. Both these decisions are based upon the inability of the courts to extend further by construction the exceptions already made to the plain language of the statutes. The principle upon which the legislature in some instances and the courts by construction in others have made an exception in favor of those performing professional services is their personal responsibility to exercise skill and care in the discharge of their duties. To substitute a corporate for a personal liability would not insure to the public the same high degree of skill and care, the responsibility would be divided and the only remedy available for a failure to properly perform the duties imposed by the contract would be to receive monetary damages. If it be advisable to place corporations performing professional services upon the same footing as individuals, the result can be effected only by action of the state legislature.

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Indebtedness—Constitutional Limitations—Circumvention by Purchase under Contract to Lease.—The Supreme Court of Oregon in *Brewster* v. *Deschutes County,* 1 Pac. (2d) 667, reaffirms its earlier decisions to the effect that the constitutional limitation upon indebtedness cannot be circumvented by the device of making a lease with an option to purchase. Section 10 of Article 11 of the state constitution limits the "debt or liabilities" of any county to $5,000. The plaintiff sought to enjoin the county from entering into a contract by which one Brooks was to construct a combination court house and city hall on land owned by the city and lease the building for a term of 17½ years to the county and city jointly at a monthly rental of $750 of which the county would pay $525. A further provision of the proposed contract gave the county and city an option to purchase the building and to apply on the purchase price all rentals already paid. A statute enacted in 1930 purported to confer upon the counties of the state the express power to enter into such a contract, but the facts showed that the defendant county was already in debt far in excess of the statutory limit.

In overruling the lower court which had dismissed the complaint, the supreme court reaffirms the position it took in the case of *Salem Water Co.* v. *City of Salem,* 5 Ore. 29, wherein it held that any lease requiring periodical payments for services to be rendered imposed a liability and came within the definition of a "debt" as the word is used in the constitution. The opinion to the contrary in *City of Joseph* v. *Joseph Water Works Co.,* 57 Ore. 586, 111 Pac. 864, 112 Pac. 1083 is repudiated as a dictum and the wisdom of the earlier decisions strongly vindicated. The decision should be a warning to those who assume that the courts will modify constitutional limitations to meet the pressing need of a larger municipal expenditure.

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Indebtedness—Recovery upon Bonds Issued to Pay for Improvements where the Officers are Directly Interested.—The question whether a municipality may successfully defend an action upon bonds issued for an improvement in which the officers in charge are directly interested or one promoted to aid a private enterprise was before the Supreme Court of Ohio in *State* v. *Board of Commissioners of Allen County,* 177 N. E. 271. The record showed that the board of commissioners with general power to make such an improvement had let a contract for sewers in a sparsely settled subdivision and pledged the credit of the county therefor. All the formal provisions of the statute were complied with, the improvement completed and bonds sold to raise the necessary funds. When the bonds became due the county refused to pay and the plaintiff filed an original petition with the supreme court, seeking a writ of mandamus to compel the board of commissioners either to pay the debt from the county treasury or to exercise its powers of taxation to provide the funds necessary therefor.

The defense set up by the county was that the sewer district included only farm lands, that the improvement was not for a public purpose nor of any public benefit but to promote a private enterprise. The court held that after the sale of the bonds the county could not set up the misuse of the powers committed to the commissioners as a defense to the action. Justice Allen filed a vigorous dissenting opinion. It seems clear that the position of the majority of the court is supported by the great weight of authority. There is no question that sewerage is a public function and it is equally clear that except in cases of fraud the courts will not review the motives of a local legislative body in determining whether an ordinance is reasonable or oppressive.[1] But there is respectable authority that an ordinance or administrative act may be set aside where the purpose and effect is clearly to subserve private interests.[2] The majority opinion admits the validity of these principles and that the facts shown would have been sufficient to sustain an action to enjoin carrying out the improvement. But the court denies that these facts can constitute a valid defense to an action brought to recover upon bonds issued by the county to finance the improvement, securities which the county had power to issue, and which it has sold to purchasers in good faith with representations that they were in all respects valid and a general obligation.

✥

Police Power—Regulation of Gambling in Nevada.—The Supreme Court of Nevada has had before it recently the important question of the construction of the statutes which make gambling a legitimate business and gambling houses privileged institutions operating under the sanction of law. In *State ex rel. Grimes* v. *Board of Commissioners of City of Las Vegas,* 1 Pac. (2) 570, an original proceeding in mandamus to compel the defendant to grant the petitioner a license to open, conduct and carry on a gambling game known as craps, the court by a two to one decision holds that the board has been given a wide power in granting or withholding such licenses not to be controlled by orders of the courts, but to be exercised in its discretion to promote the best interests and the public welfare of the people of the city and of the state. Due to the dearth of precedents in the other states, the opinion of the majority of the court is based upon the analogy of decisions in liquor license cases prior to the Eighteenth Amendment. The court holds that the rights of the petitioner under the laws and constitution of the state and the federal constitution have not been infringed by the fact that the counsel in its wisdom has limited its licenses for carrying on the business of gambling (exclusive of licenses solely for slot machines) to some six well established and well known firms operating as clubs.

Mr. Justice Sanders filed a vigorous dissenting opinion in which he holds that the ordinance thus limiting the number of licenses, even though it expressly states that the board may increase the number where the public needs shall require, is arbitrary and unreasonable and establishes a monopoly that is inconsistent with American principles of free government. The facts recited in his opinion seem to sustain his views and we would be compelled to come to his conclusions if the same principles of law are to be applied to gambling as to businesses which the law upholds as legitimate in other states. The difficulty might be solved if the state legislature would extend municipal functions to include the operation of gambling houses and make the business a municipal monopoly!

✥

Officers and Agents—Power of County Commissioners in Oklahoma to Employ an Attorney.—Under the constitution of Oklahoma, Article 17, section 2, the office of county attorney is created and by statute the qualification and duties of such officer are prescribed. In *Board of County Commissioners* v. *Waldrep,* 1 Pac. (2d) 711, the supreme court of the state holds that where the public interests require the employment of an attorney in matters outside the prescribed duties of the office, the county commissioners may contract for such services and engage the county attorney to represent it. The county commissioners are held to be the general agents of the county with supervision and control of county affairs and with express power to institute suits to protect the interests of the county. In *Dillard* v. *Sapington, County Treasurer,* 1 Pac. (2d) 748 the same court holds that the county treasurer has no power to bind the county by a contract for the services of an attorney to bring an action to protect county funds committed to his care. The court holds that the obligation to protect such funds is personal to the treasurer and not an obligation of the county nor against the funds of the county. Both of these decisions are based upon the principle that the duties and powers of the officer in question are fixed by statute and that all persons dealing with them are presumed to know the limitations imposed by law.

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[1] Talcott v. Buffalo, 125 N. Y. 280, 26 N. E. 263 (1891); People v. Gardner, 143 Mich. 104, 106 N. W. 541 (1906); Detroit United Railway v. Detroit, 255 U. S. 171 (1920).

[2] People v. Corn Products Co., 285 Ill. 276, 121 N. E. 574 (1918); In re Twenty-first Street, 196 Mo. 498, 96 S. W. 201 (1906).

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Streets and Highways—Effect of Safety Zone Markers upon the City's Liability for Defective Streets.—In *City and County of Denver* v. *Foster,* 1 Pac. (2d) 922, the Supreme Court of Colorado reversed a judgment of the lower court which held that the municipality was liable in damages to a traveler who suffered severe injuries by tripping upon an oval iron marker placed in the street to indicate a safety zone for street car patrons. The court says that while the maintenance of streets in a safe condition for travel is a proprietary function the regulation of traffic is to be considered governmental. The persistence of this distinction to determine liability in tort, even where as in the instant case it is not applicable, shows how far many of our courts have gone toward substituting a formula for accepted legal principles of tort liability. The court cites as authority and quotes from the opinion in *District of Columbia* v. *Manning,* 57 App. D. C. 156, 18 Fed. (2d) 806, 53 A.L.R. 167, as to the necessity of installing such devices for the safety of the public, but fails to note that the basis of the decision in that case was that "it was not negligence as a matter of law" to place such markers in the streets, a principle that determines the question independently of any consideration whether the nature of the duty to maintain the streets is governmental or proprietary.

A résumé of the decisions bearing upon the question of the liability of municipality for installing safety markers and traffic signals in the streets may be found in volume XVIII of this Review at page 331 (May, 1929).

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Torts—Liability for Negligence in Care of a School Auditorium.—The District Court of Appeal, Fourth District, of California holds in a recent decision, *Boyce* v. *Union High School District of San Diego County,* 1 Pac. (2d) 1037, that the statute of that state imposing liability upon counties, municipalities, and school districts for injuries to persons and property resulting from the dangerous or defective condition of the streets, buildings, grounds, etc., owned and controlled by them is to be construed as defining in all respects the limits of the liability of the municipality. An attempt was made in behalf of the plaintiff to take this case out of the statutory rule requiring actual notice of the existence of the defect causing the injury and to predicate liability upon the fact that the school auditorium where the accident occurred was used occasionally for revenue. The court points out that it is established in California that unless an enterprise is undertaken for profit the realization of incidental revenue will not be sufficient to change the rule of non-liability in tort of a municipal corporation when discharging a governmental function. In *Chafer* v. *Long Beach,* 174 Cal. 478, 163 Pac. 670 (1917) the Supreme Court of the state held that a city was liable for defects in an auditorium which was occasionally rented to private persons, but the court in the instant case holds that such liability is now limited by the terms of the statute of 1923 (Stats. 1923, p. 675), which expressly imposes liability where the governing body has notice of the defect. The court suggests that the rigor of the rule it now applies can be remedied only by an appeal to the legislature.

PUBLIC UTILITIES

EDITED BY JOHN BAUER

Director, American Public Utilities Bureau

PUBLIC OWNERSHIP CONFERENCE AT LOS ANGELES

Public ownership had a very successful field meet at Los Angeles on September 28 to October 1. There were assembled particularly impressive high jumpers, broad jumpers, vaulters and hurdlers who have cleared the heights and obstacles to new public ownership records.

A VARIED PROGRESSIVE ASSEMBLAGE

The conference brought together leading figures not only in the public ownership movement, but also others who have variously represented the public interest in the broad utility field. It included persons who have devoted themselves to the general economic and philosophical study of public ownership; public officials who have struggled with legal, political and administrative difficulties in carrying out public ownership projects; engineers and plant managers who have mastered the technological and management problems involved in successful public operation; and planners who are working on state-wide policies of dealing with utilities, including the privately owned as well as publicly owned and operated services.

The conference was distinctly a progressive assemblage. It represented the various public aspects of utilities, and included appearances from various parts of the country. Its significance lies in the personages that appeared, in the sections of the country represented, in the stock-taking of what has been accomplished, in the classification of perspective, and in the invigoration of purpose.

"RUGGED INDIVIDUALISM" IGNORED

The objective was singularly public. All individual initiative—and there was an abundance—was directed to collective benefits. There was no "rugged individualism" which sought private advantage without regard to public consequence.

The conference was characterized by deep-seated and vigorous faith in public ownership as the sole way to salvation in the field of public utilities. This stirring faith, moreover, rests solidly upon achievement, which is little short of amazing in the face of the obstacles that have been encountered in the extension of public ownership. It expects obstacles, but wills to carry on. It is not stopped, nor awed, by franchise restrictions, financial ramifications, legal and constitutional limitations, political activities, the prevalent belief in the basic and inevitable inefficiency of government, the dogma of unregenerate selfishness, the current avowals as to "human nature," and all the vested interests that are benefited by the vast propaganda constantly operating against collective endeavor for public welfare, without private profits and privileges.

"RADICAL" AT HOME AND "REACTIONARY" ABROAD

The public ownership group recognizes the fact that by and large throughout the country, the existing utilities are owned by private companies which are entrenched through franchises and whose replacement by public ownership will be difficult. It realizes also that these so-called private utilities have been actually stamped with a public interest under the law of the land, and that a system and machinery of regulation in the public interest have been established in most of the states. But the membership of the conference was practically a unit in regarding regulation a dismal and hopeless failure. It would completely abandon regulation, or ignore it, and centre its efforts exclusively in the promotion and establishment of public ownership. It would waste no effort at trying to improve regulation in any way, but would push with singular force to the clearing away of all legal restraints and to the vigorous replacement of private with public ownership.

We had the pleasure of attending the conference and presenting what appears to us a broad program of public advancement in the field of utilities. Our topic was "Taking Stock of Regulation," and we were introduced as one of those curious progressives who still believe in regulation. While at home we are regarded as radical, at Los Angeles we appeared a bit reactionary and felt personally on the defensive in trying to reshape regulation and to make it with public ownership a coördinated part of a public program. And we were told that it cannot be done; that we are wasting effort; that we should come over exclusively to public ownership; to quit pussy-footing.

We recognize frankly the actual accomplishments of public ownership, also its underlying economic advantages and possibilities, provided that it can be established without strangling legal and financial handicaps and burdens. As set out variously in this department, we favor, in the first place, the clearing away of all legal hindrances to the establishment of public ownership either by municipalities, state, or the federal government, according to the particular circumstances. We realize also that the accomplishments of municipal plants constitute a basic challenge to the private systems of the country. And, of course, we know that regulation has been far from the success that had been expected by its proponents 25 years ago; we were probably among the first and most vigorous to set out the basic defects and gaps that have developed in our system of regulation. Perhaps, we are naïve in believing that the system can be reconstructed so that it would be an effective instrument of public policy. And, perhaps, our public ownership friends are naïve, too. We all need faith and intelligence. Public progress will probably proceed along both lines. Both depend upon clearer public thinking than now generally prevails. Neither is likely to advance fast; but the circles of faith are expanding and will carry on.

REGULATION OR PUBLIC OWNERSHIP?

We presented the matter of broad policy particularly as it appears in the state of New York, following the legislative investigation of two years ago and the program adopted by Governor Roosevelt. The first step in a sensible state policy is to recognize that every municipality should have the full and untrammeled right to institute public ownership, but the fact nevertheless remains that in New York, and in practically every other state, the utilities, especially gas and electricity, are owned by private companies subject to regulation. As we visualize the future realistically, we can hardly conceive that the deeply entrenched private interests can be practically replaced without prohibitive cost short of a generation of intensive effort under clear-seeing, unselfish and practical leadership. If this view is correct, the question cannot be avoided as to what shall be done with the private utilities pending ultimate future replacement by public ownership. Is regulation so utterly hopeless that it should be abandoned, notwithstanding the long transition period? Yes—is the frank answer of the out-and-outers on public ownership. We cannot be certain but that they are right. The utilities themselves have opposed in every way possible—and not too scrupulously—every effort to set out more clearly the public interests and to provide definite and administrable standards of regulation. It may well be that the better course will be to turn our back to regulation, and to push forward exclusively to public ownership. And this feeling is accentuated by the defeatist attitude found among the most public-spirited commissioners, who express themselves powerless to regulate affirmatively and are relying upon "negotiation" to obtain rate adjustments that should be made as a matter of definite administration—and get little "doles" as concessions instead of fixing rates upon definite standards and public rights.

BROAD POLICY INCLUDES BOTH

Yet, as we visualize the working of future forces, we can hardly see the universal achievement of public ownership in a generation. At the same time, we do see clearly how regulation can be made effective through revision of statutes, the establishment of definite standards, and through filling the gaps that have developed from the rapid growth of holding company systems and interstate movement of utility services.

It will be a difficult job to bring about reconstruction of regulation, so that it will be effective, systematically administered and financially sound. But, it will also be a difficult job to replace private utilities with general public ownership. Both jobs will be extremely difficult of realization, and both, we believe, should be carried on and will be advanced simultaneously. Nor will either prove so extremely successful but that it will be subjected continuously to criticism. Public progress in dealing with utilities is bound to come, we feel, on both lines; and a broad-gauged policy, as we view the matter, should include public ownership and a regulatory program. Public ownership, moreover, should not be limited to ordinary municipal systems, especially as to electricity. In most states what is necessary to start with, is a state-wide system of generation and transmission; this goes beyond the bounds of traditional public ownership, and involves the state itself or a special state authority. In some notable instances, like Muscle Shoals and Boulder Dam, the ownership should be federal, carried out through a specially designed legal instrumentality.

The conception of a comprehensive state policy as thus briefly outlined, was presented to the conference, and received critical attention. Our view was challenged on all sides, and we must confess that so far as real progress through regulation is concerned, we could not make out a conclusive case. But, it is also true that, with some notable exceptions, the public ownership program has languished, and we offered the proposition that both public ownership and regulation had failed to advance materially because of basic lack of public interest in public matters. It seems, however, that perhaps we have entered an era when greater thought and attention will be devoted to public matters, and we shall see visible progress in both public ownership and regulation. They are the two modes of providing for the public interest; both will probably advance under the same impulses, as both have languished because of lack of interest in public matters.

VARIOUS STATE AND MUNICIPAL UTILITY PROGRAMS

The program outlined by us was presented generally as based upon the experience of the East, especially in New York. It represented particularly policies adopted by Governor Roosevelt on the basis of the minority report of the legislative investigating commission two years ago. The same program, however, has been adopted for the most part by progressive leaders who have looked upon regulation and found it wanting in effectiveness—in Pennsylvania, Massachusetts, South Carolina, Georgia, and particularly in Wisconsin, which was directly represented at the conference. Senator O. S. Loomis, who represented generally the views of Governor Philip LaFollette, spoke on "Wisconsin's Public Power Program." In scope and perspective this is not materially different from the New York program, except that to a large extent the LaFollette ideas have been carried into legislation, while mostly the Roosevelt policies have so far been thwarted by the political majority in the New York legislature. The legislative framework of the progressive policy has been drafted in Wisconsin, which makes feasible the establishment of public ownership, the creation of a state-wide generating and transmission system, together with a rigorous tightening of regulation, which has included the calling of an outstanding commissioner from outside of the state.[1]

The far west was represented mostly by active public ownership representatives. Many of the successful undertakings were described. The political and company opposition to the establishment of public ownership was roundly scored, particularly by Louis Bartlett, former mayor of Berkeley, California, who charged political sabotage in the handling of San Francisco's Hetch Hetchy water development. Among the distinct personages who have been outstanding in concrete achievement in public ownership, we must mention particularly J. D. Ross, superintendent of the department of light and power of Seattle; E. F. Scattergood, chief electrical engineer of the Los Angeles department of water and power; and B. F. Delanty, superintendent of the Pasadena municipal electrical plant. Their accomplishments will be presented in this Department in more detail in later numbers of the REVIEW. These men stand as striking refutation of the charge that foremost technical and managerial ability cannot be obtained by municipalities.

CONFERENCE INFORMATIVE AND ENJOYABLE

The special events that added interest and concreteness to the conference included a visit to Boulder Dam to see the properties which will serve the coming generations in the southwest, a visit to the Glendale and Pasadena municipal plants, and an all-day automobile trip to the municipal hydro-electric plants on the Los Angeles aqueduct. For our own personal part, we had the pleasure also of a hurried survey of the municipal systems in San Francisco, Portland, and particularly Seattle, which included a trip to the famous and beautiful Skagit River hydro-electric development.

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[1] A copy of Senator Loomis's address may be obtained by writing to Governor Philip LaFollette, Madison, Wisconsin.

NOTES AND COMMENT ON MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER

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German Electoral Reform.—In recent years the problem of electoral reform has been widely discussed in Germany, and there is a large literature on the subject. Criticism of the present German system is almost universal and many proposals have been presented for more or less fundamental changes.

The German constitution requires the use of proportional representation for the nation, for the states, and for the cities, and it also sets the voting age at 20 years. Although several plans for reforming the present electoral system contain such provisions as majority voting, compulsory voting, and a voting age of 25, the constitution stands in the way and constitutes a difficult barrier to such changes. Consequently most of the suggestions for improvement are built on the existing system.

As early as the second cabinet of Chancellor Marx in August, 1924, the government prepared a new electoral plan, and since that time every cabinet has been concerned with the problem of electoral reform. Recently in August, 1930, the Brüning cabinet laid before the *Reichsrat* a definitive proposal looking toward sweeping changes in the method of electing members to the *Reichstag*.

Taking cognizance of the obvious defects in the existing law, the latest government proposal would eliminate the present long lists and the present large electoral districts, and would abolish the national list altogether. The plan proposes the setting up of 162 electoral districts, each with approximately 385,000 inhabitants. Ballots printed by the parties or by the candidates and not by the state as at present, may contain three names. Each electoral district is united with several other electoral districts to form a *Verband* or Union of which there are 31 in the Reich. The allotment of seats is determined first by counting in each Union the number of valid ballots which have been given to every candidate or to every party group of candidates. A candidate who belongs to no group is elected if he receives 70,000 votes. Every party group receives one seat for every 70,000 votes given to its candidates in a Union. The seats to which a party is entitled within a Union are allotted according to the d'Hondt method, every district ticket being given as many seats as it receives highest numbers in the d'Hondt division by 1, 2, and 3. In practice the candidates in the first places on the party tickets will be elected, the second place candidates only coming into the reckoning when there is a particularly strong vote for a district list. After this count and distribution in the *Verbände*, the surplus votes are carried over to 12 *Ländergruppen*, and additional seats are allotted through dividing by the fixed quota of 70,000. Then if a party has sufficient surplus votes to be awarded another seat, the seat goes to the district which has the highest surplus. The existing *Reichslist* is thus eliminated.

This reform would go a long way toward developing a closer, more personal relationship between the *Reichstag* member and his constituents, and it would tend toward a greater party concentration. So-called *Splitterparteien* would be disadvantaged, and government majorities in the Reichstag would probably work with less friction. The struggle for office would henceforth be for a favorable district, and not as at present for a high place on a long list. Thus the electorate would be able to exercise a considerably greater control over its representatives than is now possible.

Although other proposals of electoral reform lead in other directions, none of them has much chance of consideration by parliament. Many persons would like to see a restoration of majority election in single member districts. But the existing constitutional requirements, not to mention the existing party situation make such a system quite out of the question. From the welter of conflicting plans, the government has evolved a remedy for existing defects which if put into effect will remove one strong argument against parliamentary government in Germany.

James K. Pollock.

University of Michigan.

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[Editor's Note.—Growing dissatisfaction with extant methods of electoral procedure and particularly with those characteristics of the bound list system and the technique of party nominations which tend to establish a relation exclusively between the citizen and his party rather than between the citizen and the local candidate has resulted in specific proposals designed to bring the party representative into closer contact with the constituency.

This department has been fortunate in securing from Dr. James Kerr Pollock, America's outstanding authority on the election systems of Europe, a brief note synthesizing the leading progressive viewpoints on the subject of electoral reform.

While the enclosed note deals exclusively with proposals for the reform of the *Reichstag* elections, such reform could not be without its repercussions in local government circles. As Dr. Roger H. Wells has pointed out:

> It should be noted that local politics, both in and out of the city council, are largely shaped along national party lines. . . . This results from a number of factors: (a) Germany is a highly urbanized country and many national problems are city problems; (b) the difficulties of the post-war years have made it necessary for national legislation—especially in regard to finance—more and more to encroach upon *Kommunalselbstverwaltung*, thus further preventing a sharp separation of national and local issues; (c) the national parties themselves, *e.g.*, the Social Democratic and Center (Catholic) Parties cannot fulfill their purposes unless they actively enter the municipal sphere; and (d) the electorate which chooses the city council is the same—except for the residence requirement in local elections—as that which elects the *Reichstag* and the state legislatures, an additional obstacle to organizing separate parties for national and local politics.—*Partisanship in German Municipal Government*, National Municipal Review, Vol. XVII, p. 474 (Aug. 1928).]

Expenditures for social welfare in Germany.—A recent issue of the *Bulletin quotidien de la Société d'études et d'informations économiques* (May, 1931), read in conjunction with current statistics available in the official publication, *Wirtschaft und Statistik*, provides a fascinating chronicle of governmental evolution.

The total appropriations necessary for the execution of *Reich*, state, and municipal budgets in Germany after the elimination of duplicate items (*Finanzbedarf*) has increased from 7,252,6 millions of marks in 1913–14 to 20,801.3 millions in 1928–29. Of considerably more significance than the simple fact of general increase, however, is an analysis of the increase in the totals for social expenditure and for particular main items in the social expenditure budget. The accompanying table reveals the importance of the social welfare item, both as an absolute increase in expenditure and as a growing percentage of the total budget.[1]

SOCIAL EXPENDITURES OF THE *REICH*, STATES, AND COMMUNES

(In millions of marks)

	1913–14	*1928–29*	*Per cent inc.*
Total public expenditures	7,252.6	20,801.3	286.8
1. *Gesundheit*..........	666.1	2,883.0	432.8
2. Placement and unemployment relief..	2.7	703.0	2,603.7
3. Housing............	33.9	1,542.4	460.6
4. Other works of public assistance.........	418.3	738.5	176.5
5. Assistance to war victims.............	62.5	1,818.0	293.2
Total social expenditures	1,183.5	7,684.9	649.5

The table may be explained in brief by pointing out that the national government contributes all of the amounts payable to war victims. In the year 1928–29 this constituted barely a quarter of the total social expenditure. During the same period it contributed 1,065.4 millions of marks to what continental budgets call "social hygiene" or *Gesundheit;* 571.4 millions for the insurance and assistance of the unemployed; and 416.6 in subsidies to other projects of social assurance. Expenses for housing during the same time were only 38.1 millions, while public instruction, education and the churches were granted less than 40.1 millions of marks.

The states played an important rôle in meeting the expenses of public instruction and of education. In 1928–29 their contributions for these purposes aggregated 1,601.1 millions of marks. During the same period they likewise spent for *Gesundheit* no less than 334 millions of marks as well as 92.6 millions for unemployment. For housing purposes the states spent approximately 308.6 millions of marks, most of which took the form of advances and guarantees which may or may not represent actual outlays. The Hanseatic states during the year of 1928–29 appropriated 110 millions of marks for instruction and education, 131 millions to *Gesundheit*, and 71.3 millions for housing.

From these figures it is obvious that the communes support in the greater part the major expenditures for public welfare, taking the form of schools, public assistance in all its forms, the maintenance of hospitals, and aid in housing construction. In 1928–29 the communes budgeted 1,446.4 millions of marks for public instruction, 2,055.5 millions for social hygiene, 1,144 millions for public assistance, 494.3 millions for indoor relief, and 35.2 millions for unemployment. They also furnished for the construction of housing projects 1,124.4 millions of marks, the larger part of which constituted advances and guarantees, but the actual housing construction undertaken by municipalities aggregated in cost over 243.9 millions of marks.

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[1] It should be noted that there statistics include only governmental expenditures. The *Bulletin* calls attention to the fact that the private relief agencies have in the last three years been more active than ever before in the history of the nation.

It is interesting to note that while the absolute expenditures for social welfare have been multiplied by seven since 1913–14, an adjusted price index indicates only a 50 per cent decline in the worth of the mark. Furthermore social expenditures represented only 19.4 marks for each inhabitant in 1913–14, while in 1925–26 they represented 64 marks per inhabitant, and 94 marks per inhabitant in 1928–29. It is, of course, perfectly reasonable to expect that pensions and other assistance given to victims of war would be enormously increased by the fact of a disastrous war, and this increase argues nothing as to the altering point of view on the subject of social expenditures.

Consideration of the recent discussions[1] of the state of compulsory unemployment insurance benefits, the major costs of which have in the past been financed by joint contributions of workers and employers, supplanted only in relatively small degree by grants from the states and from the municipalities, indicates that the reserve funds which have been built up for these payments are becoming rapidly inadequate, and that since the benefits payable under the funds are impossible of reduction, the only apparent alternative is an increase in public subsidization. Considered from this point of view the problem of social expenditures in Germany comes to bear a very real relation to the present economic crisis, and in fact to Germany's world financial position.

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British Institute of Public Administration.—The summer conference of the British Institute of Public Administration took place at University College, Oxford, during last July. The discussions centered in general around four primary topics: (1) the recruitment and training of public servants, (2) the applicability of efficiency ratings and character assessment in the public service, (3) financial control in administration, and (4) research into the theory and practice of public administration.

According to information received by the editor of this department, the discussions of recruitment and training of personnel and of public administration research were productive of extensive comment.

Sir Stanley Leathes presented the leading paper on recruitment and training of public servants. An interesting sidelight is thrown on the British situation by some remarks of W. A. Robson, well known writer on local government and law, and lecturer at the London School of Economics. He suggested that a crisis was imminent in the local government service, due largely to the attitude of various technical and professional bodies which sought to prohibit the appointment of others than members of such organizations to cognate technical posts. He regarded this as a national reaction to the lack of care with which local government officers are recruited. He pointed out further that in the civil service the technical officer usually remained a technician, whereas in the municipal service technical qualifications were required for appointment to the higher posts. "In the municipal services," he remarked,

> Technical qualifications are required for all the important positions. Your town clerk must be a lawyer, your medical officer of health must be a doctor, and so on. The Association of Masters and Matrons of Workhouses is asking that only its members should be appointed as masters and matrons. There are hundreds of these associations all trying to get a sort of vested interest, only comparable to the mediaeval guild system. There is a definite tendency in the municipal service towards a series of vested professional rights of that sort. That has arisen largely because the local authorities themselves have not at any time made an effort to secure properly qualified or well-educated recruits. A great many of the so-called technical qualifications which people inside deem necessary are in effect extremely remote from anything to do with municipal government at all. The qualifications are imposed by the professions themselves with reference to the needs of the profession generally. The training in these professions is of very little use to the municipal service, and therefore to the public generally. What the public needs is the best man for the job.

All this of course relates directly to the technique of selection of municipal officials. If one may gather any conclusion from the comments recorded in the Institute *Monthly Notes* for September, 1931, the conference was in no considerable agreement as to the best method of selecting local government officers. There was frankly much skepticism as to the results obtained by the civil service. Dr. Reiss, a member of the Berlin *Magistrat*, made the same observation that in hard times men are more important than methods; while Dr. Grochtmann said that the Germans were now too closely following American methods in personnel technology, and that development had been too rapid and too expensive. Concerning an intimately related point, namely, the evaluation of selectivity in recruitment or development through training in the service, Sir John Anderson was of the opinion that the material should be drawn from the products of the ordinary educational system and should have a certain amount of training in the service. He considers present training facilities within the service as somewhat inadequate but obviously considers no radical alteration in methods of selection necessary or desirable.

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[1] For a particularly enlightening discussion of Germany's compulsory insurance system, see Harold Callender, "Unemployment Relief: Germany's Threefold System," in *The New York Times* for October 11, 1931, sec. 9, p. 3.

The discussions of research in public administration were conducted upon the basis of papers by Arthur Collins, who is well known in this country, and T. Howard Roberts. Professor Gulick, of the faculty of Columbia University, gave a very detailed talk on public administration research in the United States which was one of the most popular and best received addresses of the conference. He pointed out the three distinct types of public administration research: (1) the collection and classification of known facts, (2) applied research such as the survey or administrative audit, and the examination of a special local problem for the purpose of laying out a program to deal with it, and (3) scientific research, which is research aiming at the development of new methods and the discovery of underlying principles which will produce new ideas and expand the entire scope of administrative theory and practice. Mr. Montagu Harris of the Ministry of Health was skeptical about the results of public administration research in the United States, and instanced the difference between American and European journals, calling attention to the fact that American journals evidently had little knowledge of the existence of a body of administrative theory. Mr. Dakyns of the University of Manchester thought that much could be accomplished by the educational and propaganda influence of such publications as the Institute journal, *Public Administration*.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY RUSSELL FORBES

Secretary

Recent Reports of Research Agencies.—The following reports have been received at the central library of the Association since August 1, 1931:

California Taxpayers' Association:
- *Survey of the Pasadena City Schools.*
- *Pavement and Street Improvement Costs.*

Detroit Bureau of Governmental Research:
- *Committee on City Finances.*
- *Examination Questions in Municipal Administration.*
- *The Detroit House of Correction: Organization of a Welfare Department.*
- *Fifteenth Annual Report of the Detroit Bureau of Governmental Research—May 1, 1930 to April 30, 1931.*

Massachusetts Institute of Technology:
- *The Question of Municipal Organization.*
- *Principles of Sewage Disposal.*

The Ohio Institute:
- *Election Costs in Ohio and How They Can Be Reduced.*

League of Virginia Municipalities:
- *The Collection and Disposal of Municipal Refuse in Virginia Municipalities.*
- *Motor and Horse Drawn Vehicle License Taxes in Virginia Municipalities.*
- *License Taxes on Resident Merchants in Virginia Municipalities.*
- *License Taxes on Auctioneers in Virginia Municipalities.*
- *The Maintenance of Cemeteries in the Towns of Virginia.*
- *Police Administration in Virginia Cities.*
- *License Taxes on Professions in Virginia Municipalities.*

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Change of Name.—The name of the Kansas City Public Service Institute has been changed to Civic Research Institute and the headquarters have been moved to 114 West Tenth Street Building, Kansas City, Missouri.

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Change of Position.—W. M. Cotton, for several years director of the Dayton Research Association, has resigned to accept the city managership of St. Petersburg, Florida.

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California Taxpayers' Association.—The Association has just completed and published a study on *Paving and Street Improvement Costs.* The Association, in this study, analyzes the unit costs of various types of patented and unpatented pavements. Its conclusions are based on an analysis of the actual unit costs in over 100 paving jobs completed in California in the last three years. The conclusions of the study are as follows:

> Any impartial study of the price of street improvements leads to the conclusion that California property owners are paying enormous and unnecessary sums for patented pavements. With equal standards of construction, the unpatented pavements are exactly as good and cost a great deal less than the patented types.
>
> Investigation shows that patented pavements cost about five cents more per square foot than equal unpatented types, and it is also found that the other items of improvement such as grading, curb, and sidewalk average considerably higher when combined with patented pavement.

The study of schools of Fresno County has been completed and published.

Studies of the budgets of the following governmental units have been recently released and published: cities of Sierra Madre and Glendale, counties of Santa Barbara, San Joaquin and Los Angeles, and the San Diego city schools.

The Association has just entered into a contractual agreement with the San Diego city board of education to design and supervise the installation of a modern accounting and budgetary system.

⁂

Civic Affairs Department, Indianapolis Chamber of Commerce.—The Department recently proposed that the commissioners of Marion County consolidate all of the city of Indianapolis into one township, which they have legal authority to do, as a means of combining poor relief administration for the city under one head, spreading the cost of poor relief equitably over the entire city, and bringing about uniform assessment of property within the city. The city now lies within five of the nine townships of the county. The proposal is being considered by the county commissioners.

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Citizens' Bureau of Milwaukee.—The need of two proposed police precinct stations have been studied by the staff with the recommendation that one of the two was needed at present. An attempt to coördinate the organizations dealing with the function of traffic and safety supervision is being made. Particular emphasis is being placed on the record system for traffic violations, the effectiveness of policemen versus traffic signals to direct traffic, the feasibility of a special traffic investigation squad, and the further motorization of the police force.

An investigation of the purchase of additional land for the civic center is in progress. The study of trends of government in the city and county during the ten year period of 1921–30 inclusive is nearing completion.

✤

New Bedford Taxpayers' Association.—Cities in Massachusetts are announcing their tax rates for the current year and most of them are finding substantial increases made necessary by reduced valuations, additional expenditures for welfare and decreased receipts from income and corporation taxes.

In a series of two bulletins, the Taxpayers' Association of New Bedford have pointed out some of the defects in the present method used in Massachusetts for financing municipal operations and suggesting certain remedies therefore. At the present time the law requires that the budget be passed within the first few months of the calendar year. The valuation of property is made as of April 1 and the figures are not available until August at which time the tax rate for the year is made. The budget when passed is an estimate of expenditures only, as the information as to receipts is not known at the time. It is recommended that this system be changed so that the time for fixing values is placed so that the valuation should be known when the budget is passed and the tax rate for the year fixed at that time. Such a change would involve a considerable amount of legislation and would probably take a number of years to put into effect, but the New Bedford Taxpayers' Association feels that certain changes should be made as soon as possible so as to put the municipal financing in Massachusetts on a better basis.

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National Institute of Public Administration.—At the request of Police Commissioner Allman, appointed early in October by Mayor Cermak to replace Acting Commissioner Alcock, a holdover from the previous Thompson administration, the mayor's Advisory Committee in Chicago has asked Bruce Smith to direct the installation of the recommendations which he made last year for the improvement of the Chicago police department. Those recommendations were the result of a survey conducted by Mr. Smith and a staff for the Citizens' Police Committee, a representative group of business men and professors, organized to make suggestions for the betterment of the department in answer to a letter from former Commissioner Russell. The original survey staff has been reassembled, and it is expected that the first major recommendation to be carried into effect will be one calling for the complete administrative reorganization of the department, reducing the number of bureau heads reporting to the commissioner from forty to eight.

Philip H. Cornick was appointed a member of the taxation committee of the President's Conference on Home Building and Home Ownership and is preparing a report for the committee.

Dr. Carl E. McCombs is assisting the Rochester Bureau in the preparation of a comprehensive report on the hospital problems of that city.

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Virginia Bureau of Public Administration.—The Virginia Bureau of Public Administration, which is a joint project of the League of Virginia Municipalities and the University of Virginia and which is endowed by the Spelman Fund is engaged in the investigation and planning of a retirement system for local government employees in the state of Virginia. Governor Pollard appointed at the last session of the legislature a commission to report to the 1932 session on the matter of pensions for state employees and judges. The public school teachers of Virginia have had a pension system for some years. The report of the Bureau of Public Administration will thus be the last link in the proposals for retirement systems which if adopted will provide for virtually every public employee in the Commonwealth.

NOTES AND EVENTS

EDITED BY H. W. DODDS

Cleveland Municipal Electric Light Plant Problem.—The city of Cleveland has been in the electric light and power business since 1906. From time to time bonds were issued in the sum total of $9,584,172. These bond issues have been retired out of earnings, until the present bonded indebtedness of the plant is only $6,454,000. The Municipal Light Plant enjoys about sixteen per cent of the total light and power business of the city of Cleveland, while The Cleveland Electric Illuminating Company, the privately owned utility, has the remaining eighty-four per cent. In addition to bond money there has been invested in the plant $5,830,779 from income and surplus, making the total investment $15,416,951, against the outstanding bonded indebtedness.

When the new Municipal Plant was opened for operation in 1914, the private utility's maximum rate for domestic consumers was 10 cents per k. w. hour, while the rate charged by the Municipal Plant was 3 cents. Since that time the private utility has been forced to reduce its rate to 5 cents per k.w., while the Municipal Plant continues to charge 3 cents.

The total present capacity of the Municipal Plant is 50,000 k. w. The maximum peak load is 38,300 k. w. This has been somewhat reduced due to loss of business because of the country-wide depression. It is obvious that if one of the 15,000 k. w. generators were out of order there would be an interruption in the service. Therefore, a continued operation of the plant with the present load endangers both the plant and the efficient service to which its customers are entitled.

Faced with this condition of affairs, the city council sought a remedy. Two seemingly irreconcilable views prevailed: First, the view of the private utility advocate, who urges that nothing be done with the plant and that the city get out of the utility business. He denies that the municipally owned plant acts as a rate regulator and says further that all of the taxpayers are being called upon to finance a municipal venture for the benefits enjoyed by a small number who happen to be customers of the plant. (See article by former Public Utilities Director Howell Wright in the NATIONAL MUNICIPAL REVIEW, Volume 20, No. 7, July, 1931.) Then there is the view of the extreme public ownership advocate. He urges an expansion of the present plant to such capacity that it would immediately become an active and effective competitor of the privately owned utility. He recommends that the city of Cleveland embark in a cut-throat competition with the privately owned utility, so that eventually the private utility would be put out of business.

After conducting a long series of public hearings and investigations and listening to organizations and citizens expressing all points of view, the public utilities committee recommended to the council what it believed to be a sane and businesslike solution of the problem. The council accepted this recommendation and passed the Bohn Ordinance putting a $2,500,000 bond issue before the people on November 3 for the purpose of financing improvements, betterments and expansions of the plant. By this act the city council recognized the fact that the operation of a municipal plant has had something to do with rate regulation. It recognized that it is no mere coincidence that the privately owned utility operating in Cleveland sells electric current well below the average charged by other power companies in the United States and that the rate is in fact the lowest of any large city dependent upon coal producing energy, and that the city of Cleveland is the only large city of its class that has a municipally owned plant. Council further realized that regardless of how opponents of the continued operation of the plant may juggle figures for the purpose of making their point, the operation of the plant has earned money for the city in addition to acting as a rate regulating factor. The finance director's report shows that the net earnings of the Municipal Light Plant, after deducting operation, maintenance, bond interest, depreciation and taxes foregone, from the total gross revenue, for the past nine years are as follows:

In 1922 a profit of	$60,800
In 1923 a profit of	252,100
In 1924 a profit of	414,500

In 1925 a profit of	$346,300
In 1926 a profit of	378,400
In 1927 a profit of	264,200
In 1928 a profit of	434,800
In 1929 a profit of	494,400
In 1930 a profit of	321,400

The passage by the people of the $2,500,000 bond issue will provide for a sufficient addition to the plant to enable it to render efficient service with a fair margin of safety and maintain a competitive position in the electric light and power business of Cleveland. Other plans of financing this program have been advocated, but lack of space prohibits a discussion of these plans.

At the present writing a suit is pending in the courts, brought by opponents of expansion, seeking to enjoin the placing of the proposition on the ballot. The city is vigorously opposing this suit, as it did a like suit brought in 1911 which sought to prevent the building of the plant out of the $2,000,000 bond issue voted by the people that year. The proposed bond issue is to be paid in fifteen annual installments. If financed at four per cent the average annual installments will aggregate $220,000, which installments will include interest and payments on the principal. The annual interest charge, included in the said $220,000, would be $53,333.34 per annum.

The above tabulation shows that the net earnings of the plant can carry this additional burden even though no new business is acquired by the plant, although the new municipal sewage disposal plant and water works being now built will insure additional business.

If the people of Cleveland approve the recommendation of council, the passage of the bond issue will finance the improvement and moderate expansion of the plant for the purpose of protecting their investment, the customers of the plant and their light and power rate regulating institution, without embarking upon a program of annihilation against the privately owned utility. It is sane solution of an important municipal problem. Ernest J. Bohn.

Cleveland City Council.

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City Managers Hold Successful Convention at Louisville.—The problem of unemployment relief occupied the chief attention of nearly two hundred city managers, various city officials, and other persons interested in government at the eighteenth annual conference of the International City Managers' Association held in Louisville, Kentucky, October 7–10. The consensus of opinion of those present at the conference was expressed by Daniel E. Morgan, city manager of Cleveland, when he stated that cities should be given official representation on national and state employment advisory councils. "What cities need just now from Washington," said C. A. Dykstra, city manager of Cincinnati, "is correlated information on employment and a national program of employment agencies and employment distribution. Industry is interdependent on a national scale and therefore no city acting by itself can hope to deal with the problems industry creates." The scrip-labor plan of providing work in Grand Rapids was discussed by City Manager George W. Welsh and the system of relieving the unemployment situation in Petersburg, Virginia, was outlined by City Manager Paul Morton. Louis Brownlow, in an address on "Trends in Relief and Public Welfare," pointed out that there is a definite trend toward the municipality's taking over from private organizations more and more relief activities, and Frank Bane, executive director of the American Association of Public Welfare Officials, outlined the work which his organization is undertaking with the view of assisting local governments in meeting the unemployment situation.

Reducing Expenditures to Meet Diminishing Income, Management Technique, City Manager Policies, and Training for City Managership were other sessions at which city managers and leading municipal authorities spoke.

With regard to Association activities, President Stephen B. Story, city manager of Rochester, New York, reported that the Association is rapidly acquiring a status that demands recognition in many directions. He made specific reference to the research work that has been undertaken by the Association and to the improvement of *Public Management*, the official journal. The executive secretary reported a 10 per cent increase in membership, and that the *City Manager Yearbook* for the first time had been published as a bound volume separate from *Public Management*. It was brought out that there was greatly increased interest in council-manager government during the past year as evidenced by the fact that during this period twenty-five cities adopted the plan of which thirteen had populations in excess of 25,000. This is the largest number of cities to adopt the plan during the same period of time since 1925. At present one out of every five cities in the United States with a population of 25,000 or more now operate under the council-manager plan.

The new officers elected were: *president*, Charles A. Carran, city manager of East Cleveland, Ohio; and *vice-presidents*, George D. Fairtrace, city manager, Fort Worth, Texas; P. P. Pilcher, city manager, Winchester, Virginia; and C. A. Harrell, city manager, Portsmouth, Ohio.

CLARENCE E. RIDLEY.

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Detroit Substitutes Wages for Doles.—

To the Editor of the NATIONAL MUNICIPAL REVIEW:

Sir:

Your series of articles in the NATIONAL MUNICIPAL REVIEW, reporting how different cities have dealt with the problem of poor relief, evidently are a help to the national situation. At least, they should be helpful.

From a Detroit standpoint, it is a pleasure to commend William B. Books' article in the September issue of the REVIEW. The question of how Indianapolis combines poor relief with public work is of special interest to Detroit. You will be glad to know that the changes in our methods of poor relief which were forecast in my article in the REVIEW of last July, have been made rapidly and permanently.

While it was true last spring that Detroit had done little to practice the work-wage plan by finding jobs for those who were helped by the city, John F. Ballenger's administration of the department of public welfare during the past few months has quite reversed our policies. Our original difficulty was the size of the problem—as many as 47,000 families last winter were being directly aided by the city. At that time Mayor Murphy and his associates had not been convinced of the necessity of the work-wage plan or of sifting, discriminating, eliminating and in other ways requiring efficiency of welfare administration.

Under the direction of Mr. Ballenger the number of families aided has been cut to 18,000 or less. Large numbers of individuals evidently have left Detroit who formerly were receiving municipal help. Particularly, the city government has accepted whole-heartedly the plan of furnishing work to men who receive help and thereby gradually eliminating the "dole" feature of the situation.

Sufficient progress in this change of method has been made already to guarantee that it will be the accepted method during the coming year, therefore, the experience of Indianapolis, which evidently saw the light early, appears to us to justify the work-wage plan as the accepted plan for any city which wishes to save itself from all possible strain in dealing with this problem.

W. P. LOVETT.

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The Grand Rapids Scrip-Labor Plan for Unemployment Relief.—Jobs instead of doles are the order in Grand Rapids. For every dollar the city spends in public relief the city gets 80 cents in labor on public improvements, according to A. T. McFadyen, acting secretary of the Grand Rapids Association of Commerce.

Some 2,000 men, most of them heads of families, are now busy building many of the things that Grand Rapids has wanted for a long time. Now only about three per cent of the cases receive direct relief. But this direct relief goes only to families without an able-bodied breadwinner or to families too large for the part-time efforts of the father to support.

The men are creating a new park, widening and extending streets, building new sidewalks, rounding off street corners for the convenience and safety of motorists, laying water mains and sewer lines, wielding axes for the city wood pile, filling in city lots, painting city buildings, and a hundred and one other things which various city officials have programmed on their books. Already these men have razed the buildings on the site for the new municipal auditorium on which many unemployed will soon be at work. A fine swimming pool in a city park has also been constructed.

Men given jobs by the city receive their compensation almost entirely in scrip, paper money, good for trade only at the city's store. Workmen are paid at the rate of 40 cents an hour, but at the city store the prices of food stuff and clothing and other necessities are so low that their wages go a long way. The scrip plan was adopted largely for the reason that it simplified the transference of food and clothing to workmen and lessened the danger of misspending and fraud. At first, the Grand Rapids merchants felt that the establishment of a city store was discriminatory; but the efficiency of this method has been proved and now local merchants have changed their opinion.

Finances for relief work are obtained through bond issues, based on a special assessment of one-fourth of one per cent of the assessed valuation of property. This requires only a small immediate outlay from the taxpayer and eliminates the guess work that goes with voluntary contributions.

But the most striking thing of all, declares Mr. McFadyen, is that as one saunters down the streets of Grand Rapids, dozens of dozens of signs will be seen reading, "Danger—Men at Work."

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Colorado River Aqueduct Assured.[1]—Southern California has given its answer to the threat of the desert's closing in on its irrigated empire. On September 29 the $220,000,000 bond issue, which the Metropolitan Water District proposed for the purpose of bringing an aqueduct 266 miles across desert and mountains, was approved by a 5–1 vote of the electorate in the thirteen member cities.

As the campaign neared the close, the activities of those who worked against the gigantic project became more open and strenuous. Newspaper advertisements were inserted attacking the alleged need of additional water at this time. Proponents of the plan answered this charge by showing that water levels have been reduced to a perilous point, 150 to 350 feet; that this last year it was necessary to pump 90 per cent of Los Angeles' water supply; and that the district has been consuming daily 200,000,000 gallons more than natural processes restore. Certain persons who were intent upon defeating the bonds in order that their processes of waste water and sewage purification might have a chance of adoption, discovered scant popular interest in such "advanced" scientific methods. The contention that Colorado River water would be unpalatable because of its salt content was countered with engineering assurance that no such precipitation will be discoverable by the time the water supply reaches its destination.

The feasibility of the adopted Parker route, which begins 150 miles below Hoover Dam and involves pumping the 1,500 second feet over the mountain pass near Banning, was the subject of a very determined attack. It was contended that pumping would be obviated if a slightly longer route were chosen. The engineering wisdom of tunneling under 13 miles of a mountain range was flatly denied. In support of its route the Metropolitan Water District Board adduced the thorough surveys of its own and federal engineers, in which 65 routes were considered, and the substantiation of the final recommendation by consulting engineers in New York. There seems to be no question but that a considerable part of the protest against the Parker route was raised by those who had speculated in land along competing routes.

Naturally enough, the depression was urged as a sufficient reason to discountenance the assumption of so great an indebtedness. However, it was shown that 10,000 wage earners would be kept busy, which would stimulate industry and business. Only American citizens who have resided in the Metropolitan district for at least one year will be eligible for employment, it was announced.

The only increase of taxes will take place the first six years, which is the estimated construction period. During the first 15 years interest payments only will be made. It is said that the increase in taxes on the 2½ billion assessment district will amount to approximately $3.50 a year for the owner of a $7,000 property. After six years the entire revenue will be derived from the sale of water. Although no definite promises have been made, the board will probably sell excess water that the municipalities will not require for an estimated period of five or six years, to farmers along the aqueduct route.

The stupendity of such an engineering and financial undertaking cannot help but intrigue the rest of the country. The governmental and administrative aspects are equally challenging. Here is a district with a periphery of thirty or forty miles (Riverside and San Bernardino, sixty miles from Los Angeles, withdrew before the election). No city may have more than fifty per cent of the votes on the board of the Metropolitan Water District. The district itself was created by a special act of the legislature, which gives it large taxing and administrative powers. Here is the metropolitan area *par excellence!*

The public-private power controversy in Southern California will burn with new fury. At the present time Los Angeles is being torn open by a sweeping investigation of the private power sympathizers on the Commission of the municipal Bureau of Water and Power. Pasadena and one or two smaller municipalities own their own light and power systems. The remainder of the area is served by private companies which are rapidly being drawn into the Pacific power combine. The campaign against the water bonds was a minor squall compared to the storm that will break if this vast new storehouse of power is used to make further inroads into the private electricity business. American individualism is conspicuously absent when Southern California faces a water crisis, but when power is the issue, the faith of the fathers returns again to the land of milk and honey.

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[1] For further description of engineering and governmental phases of the project see "More Water for Southern California" by William P. teGroen, NATIONAL MUNICIPAL REVIEW, August, 1931, p. 441.

Marshall E. Dimock.

University of California at Los Angeles.

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Philadelphia's Dangerous Deficit.—Philadelphia's finances appear to be receiving an unusual amount of attention on the part of bond houses, bond investors, business and civic organizations, and taxpayers in general. Some of this interest, especially that of bond houses and bond investors, arises quite naturally as a result of adverse financial developments in other cities throughout the country, but in large part it is due to Philadelphia's own financial difficulties.

Members of city council and city officials are inclined to place most of the blame for the city's present predicament on delinquent taxpayers. Of course, the increasing tax delinquency of the last few years (for 1930, 16.6 per cent of the tax levy) has contributed heavily toward the existing budgetary difficulties, but the blame should rest primarily upon the mayor, the city controller, and city council. All three have made the city tax rate a football of politics; each has sought political advantage through demands for, or promises of, low taxes; and in various ways each has endeavored to secure the applause of the gallery, to the exclusion of one or both of the others. As a consequence of this, and of the lack of dependable information regarding the city's finances, city council has repeatedly fixed too low a tax rate to meet the city's needs, as expressed in actual expenditures, and the city has been operating under a heavily unbalanced budget during the last few years.

Thus, the years 1929 and 1930 each ended with a general-fund deficit of about $7,000,000, and the current year bids fair to pass a deficit of at least $12,000,000 to $15,000,000 on to 1932. This year the deficit is so large and of such a nature that it is difficult to dodge or to conceal it. The city has reached the limit of its general-fund appropriating power, except for $1,500,000 for unemployment relief, and it is short about $2,000,000 in the appropriations for policemen's and firemen's salaries, to say nothing of shortages in other appropriation items. Since it would be suicidal politically not to pay the policemen and firemen, transfers will doubtless be made from other items to the appropriations for policemen and firemen. They will then be paid, but contractors, manufacturers, and merchants will be made to wait for their money until some time next year.

Not only is the city confronted with difficulties of current financing, but it is facing the possibility that it will not be able to raise money for its extensive capital expenditure program. The most recent official debt and borrowing capacity statement showed that the city had a free borrowing capacity of slightly over $4,000,000, but serious doubts have arisen concerning the accuracy of this statement, especially as to whether all floating debt of the city is included and as to the treatment of deductible self-supporting debt and sinking funds therefor. It may be necessary for the city to repeal a substantial portion of its authorized but unissued loans in order to develop a sufficient borrowing margin to enable it to issue any new bonds.

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Continuing the County Reorganization Movement in Ohio.—Plans are now being laid for the continuance of the county reorganization movement in Ohio. The committee which drafted the constitutional amendment submitted to the last session of the legislature has taken the leadership in starting another drive for a county amendment. Having been blocked in the general assembly, the committee feels that the most feasible plan is to present an initiated amendment to the voters a year from this fall. The necessary organization and the detailed form of the proposition remain to be worked out. The present committee, enlarged to make it more representative, will undertake the drafting of a new amendment, and a conference of representatives of the principal organizations interested in the improvement of county government will probably be called by the Ohio Chamber of Commerce early in the winter to consider the problem and effect a definite organization for carrying forward the movement.

Meanwhile, the committee has requested The Ohio Institute, in coöperation with the other governmental research agencies of the state, to undertake a series of studies of county organization and the possibilities of its improvement. A plan of investigation has been formulated by the Institute, which will be followed in a number of representative counties, the Institute studying a group of sample rural counties and the research agencies in the various large cities covering their own counties.

R. C. Atkinson.

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Pennsylvania's New Water Supply District Law.—The water supply district law, passed by the Pennsylvania legislature at its last session, arose out of the dissatisfaction of the people in the section of the state, known as the "Wyoming Valley," which includes Luzerne and Lackawanna Counties, with water rates to which they were subjected.

There was a general feeling among the people in that area that no relief could be obtained in the adjustment of rates through appeals to the public service commission and the water district law was promoted so that relief could be had by going to the court of common pleas for the establishment of a water supply district as a municipal corporation.

By the law, the courts are given authority to establish such a municipal corporation, upon the petition of at least 2,000 owners of real estate in the proposed district, or of owners in the district equal to at least one half of the assessed value of real estate included in the district.

A district so created may include territory coextensive with the county or parts of two or more counties, which in the opinion of the court can "reasonably" and "conveniently" be created a district. The territory comprising a district need not be contiguous.

A municipal corporation so created is managed by a board of directors of three residents of the district, appointed by the court. The board has authority, by the law, to purchase land and construct property and works thereon for the purpose of supplying water and to acquire for the district the property and works of any company or municipality. The district has the right of eminent domain with the restrictions that no source of supply of water shall be taken without taking also the property or works necessarily dependent upon that source for a supply of water and no municipally owned property and works or any part thereof shall be acquired unless the consent of the majority of the electors of a municipality has been secured.

The board has authority to fix the charges for water and collect tolls, rates and rentals for the same. It possesses authority to levy taxes not to exceed three mills on the assessed valuation of all property within the district taxable for county purposes. Also indebtedness may be incurred and obligations issued bearing interest not to exceed six per cent.

Edward B. Logan.

⁂

Official Backing for Billboard Control in New York.—On July 11, 1931, the New York State Council of Parks "after studying the subject for over two years in coöperation with the state department of public works and with representatives of numerous civic organizations," adopted a resolution "strongly recommending" the passage by the New York legislature of an act to regulate outdoor advertising, the text of which has been issued in a small pamphlet of twelve pages which includes a preliminary statement and five illustrations.

The bill which thus receives official endorsement and backing is the Thompson-Zimmerman bill which was introduced into the New York legislature in March, 1931, word for word except for the date as of which it may take effect. It will be reintroduced at the 1932 session. The bill has the approval of the National Council for Protection of Roadside Beauty, the Garden Club of America and various local New York garden clubs, the Citizens' Union, the Long Island Chamber of Commerce and many other organizations.

The State Council of Parks is a part of the New York state conservation department. Robert Moses is chairman.

On July 15 the above action of the State Council of Parks was approved by Henry Morganthau, Jr., conservation commissioner of New York. The bill is also endorsed by the state department of public works, Frederick Stuart Green, superintendent.

For copies of the pamphlet write to Henry F. Lutz, secretary, State Council of Parks, State Office Building, 80 Center Street, New York City.

⁂

The Fruits of Seattle's Recall Election.—The recall election of Seattle on July 13 (see the August issue of the Review) resulted in the recall of Mayor Edwards by a vote of 35,635 for the recall to 22,032 against. After the election the council appointed one of its members, Robert H. Harlin, former secretary of the Washington State Federation of Labor, as mayor to fill out the unexpired term. The forces behind the recall of Mayor Edwards had groomed another member of the council for the post, and were disappointed by the selection.

Mayor Harlin interpreted the results of the recall election as a demand of the people for a change in administration, and consequently called for the resignation of all members of the board of public works, which is made up of the heads of the following departments: city light, water, streets and sewers, engineering, public building, and public utilities (street railway). He also called for the resignation of the chief of police. New appointments were made to these posts. J. D. Ross, whose removal by Mayor Edwards from the position as director of the city light department brought on the recall election, was immediately restored to that office and later chosen chairman of the board of public works. The new administration brought about a complete turnover of the heads of the important city departments. The new appointments made were of such character as to create a favorable impression throughout the city.

The dissatisfaction with the city government, which was so widespread during the recall election, has quieted down. The movement for the adoption of a city manager charter, started while the recall election was pending, has been postponed. A special committee of the Seattle Municipal League has reported against undertaking an active campaign for the manager plan this year, but has recommended the creation of a permanent committee to draft an optional city manager bill to be presented to the next session of the legislature, and to carry on a campaign of education for the manager plan. The state of Washington has not yet enacted enabling legislation to permit cities to adopt the manager plan, though cities of over 20,000 population are granted home rule by the state constitution and may adopt the manager plan under this power. An optional city manager bill applying to all cities was passed by the 1931 legislature, but was vetoed by the governor. Similar legislation passed by the preceding legislature was also vetoed.

Joseph P. Harris.

◆

Georgia Consolidates Its Administration.—After about ten years of agitation, administrative reorganization in Georgia is almost an accomplished fact. An act was passed by the Georgia legislature at its 1931 session which consolidates various departments, offices and boards into eighteen principal agencies. Governor Thomas Hardwick started the fight in 1922, when he employed Griffenhagen and Associates to make a survey of the administrative system. However, the legislature failed to respond to his call for consolidation.

In 1926 Lamartine G. Hardman advocated administrative reorganization in his successful campaign for governor. Acting upon his mandate from the people of the state, Governor Hardman urged the legislature at its 1927 session to bring about this much needed reform, but his efforts met with failure.

In the campaign for governor in 1928 Hardman again pressed the reorganization issue and was returned victor by an overwhelming majority. In the spring of 1929 he appointed a commission composed of seventeen men, of whom the author was one, to make a study of the administrative system and work out a plan for consolidation. As a result the Allen plan was drawn up. The governor sent it, along with a proposed enabling act, to the legislature with his recommendations. Nevertheless, the act was killed in the lower house by a vote of 108 to 81.

Speaker Richard B. Russell of the Georgia House of Representatives endorsed consolidation of departments in his successful campaign for governor in 1930. At a special session of the legislature early this year (before Governor Russell was inaugurated) the lower house passed a resolution calling for a committee to study the problem and report a plan for administrative consolidation. The appointment of this committee fell to Mr. Russell, who was still serving as speaker. Gus Huddleston was made chairman. The bill reported by the Huddleston committee called for the reduction of the 102 departments, commissions and boards to sixteen, exclusive of the governor's office. It was passed, substantially as introduced, by the house of representatives on July 22 of this year by a vote of 187 to 6.

Although the bill met with stubborn resistance in the senate, it finally passed that body on August 15 after several amendments had been tacked to it.

A joint committee on conference adjusted the differences between the two houses, the house conferees agreeing to practically all of the senate amendments. As finally enacted, the law sets up eighteen departments, boards or commissions, when the act goes into effect on January 1, 1932.

The success of the reorganization act can be attributed to the leadership of Governor Richard B. Russell. Governor Russell is only thirty-three years of age and is the youngest man to hold this high office in Georgia in a long while. His service in the house of representatives, first as an ordinary member and then for two terms as speaker, has stood him in good stead. He remained in the background while the fight was on in the legislature, but his leadership was at all times in evidence behind the scenes.

While the reorganization bill is a disappointment to the idealist, still it is a good beginning. It does not eliminate the long ballot—a reform which is much needed in the state. The people still elect almost a score of state administrative officials. It is to be hoped that a more complete consolidation and simplification will be brought about in the next few years.

Cullen B. Gosnell.

✥

The A. C. A. Traveling Convention in the Detroit Region.—The American Civic Association's fifth annual traveling meeting, held in the Detroit region, October 5–9, at times became really a thrilling experience for Detroit attendants, and for those from abroad again convinced everybody as to the concrete value and personal pleasure of this proceeding. Because of superb prearrangements made by the Detroit committee, every available minute, except the hours snatched for sleep, was utilized in a series of daily motor trips, in which eating and traveling were interspersed with inspection of highways, gardens, parks and boulevards, talks by experts, and exchange of personal ideas.

The delegates motored through the unique Bloomfield hills district, with its lakes, hills, stately mansions and gardens, covered the far-famed master-plan highway system of Wayne County, did the beautiful Grosse Pointe "gold coast" region, along Lake Ste. Claire—visiting six wonderful gardens in one afternoon, including that of Edsel Ford who, with his charming wife, personally welcomed the visitors to both home and gardens—and packed into the final day their visit to the home and gardens of Henry Ford, with Mrs. Ford as hostess, the Greenfield village, a trip to the university town of Ann Arbor, and a wind-up discussion of regional planning at the University.

"Everything outdoors which is under governmental control" was one definition of the association's field of study and action; then it appeared that much of the outdoors privately controlled also was in the picture. Roadsides and parks took first place in importance, followed by talks and views on highways and regional planning, billboards, gardens, landscape architecture, and architecture itself. All the big things in the Detroit outdoor area were visited, including the new tunnel and the great Ambassador bridge. Homes and hearts evidently were opened with a spirit of competition in hospitality and attention.

Plans and program details had been most carefully prepared by a local committee of 29 persons, headed by T. Glenn Phillips, a Detroit leader in city planning and landscaping. Of course Miss Harlean James, secretary of the association, was the tactful and efficient director of everything. The list of speakers drew talented persons from Pacific as well as Atlantic coasts.

Problems affecting national as well as local parks were considered, as well as the interests of Washington, the federal city, where, it was predicted, the next annual meeting may be held, along with that of the National Municipal League and allied groups.

W. P. Lovett.

✥

New York State Tax Commission Fellowship Awarded for 1931–32.—The fellowship awarded each year by the New York State Tax Commission for research in some aspect of public finance has been granted to H. R. Enslow for the year 1931–32. Mr. Enslow has been teaching at Union College, Schenectady. He will study the relationship of state and national income taxes.

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CONTENTS

EDITORIAL COMMENT . . . . . H. W. Dodds 683
HEADLINES . . . . . Howard P. Jones 687
CHICAGO'S POOR RELIEF MACHINERY STANDS THE TEST . . . . . W. S. Reynolds 689
SPECIAL COURTS FOR PUBLIC UTILITY CASES . . . . Marshall E. Dimock 691
CITIZENS' COMMITTEE SUPERVISES EXPENDITURE OF ST. LOUIS BOND ISSUE . . . . . F. E. Lawrence, Jr. 695
BERLIN'S NEW GOVERNMENT . . . . . Prof. Dr. Walter Norden 697
COMPARATIVE TAX RATES OF 290 CITIES, 1931 . . . . C. E. Rightor 703
REPORT ON ACTIVITIES AND ACCOMPLISHMENTS OF NATIONAL MUNICIPAL LEAGUE—A SUPPLEMENT . . . . . Russell Forbes 745

DEPARTMENTS

I. Recent Books Reviewed 719
II. Judicial Decisions . . . . . Edited by C. W. Tooke 723
III. Public Utilities . . . . . Edited by John Bauer 729
IV. Municipal Activities Abroad . . . . . Edited by Rowland A. Egger 733
V. Governmental Research Association Notes . . . . . Edited by Russell Forbes 737
VI. Notes and Events . . . . . Edited by H. W. Dodds 739

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THE LEAGUE'S BUSINESS

New Officers of the National Municipal League.—At the annual meeting held in connection with the National Conference on Government at Buffalo, New York, on Monday, November 9, the report of the nominating committee was accepted and the nominees as printed on this page last month were elected as officers for the ensuing year.

Richard S. Childs, president of the League for the past three years, was elected as chairman of the council and joins the ranks of the distinguished list of former presidents: James C. Carter, Charles J. Bonaparte, William Dudley Foulke, Charles Evans Hughes, Frank L. Polk, Lawson Purdy and Henry M. Waite.

Murray Seasongood, the new president, is nationally known as a lawyer and public official. He is one of the most distinguished citizens of Cincinnati, where he was born and has spent most of his life. As mayor of Cincinnati for two terms, from 1925 to 1929 inclusive, he led the reform forces which succeeded in completely revolutionizing the city administration under the manager form of government and in making Cincinnati our best governed city. He is widely known as an inspiring speaker and leader. He has served as chairman of the City Planning Commission of Cincinnati, as a member of the Ohio Commission for the Blind, as president of the Legal Aid Society of Cincinnati, and as vice president of the National Association of Legal Aid Societies for two terms. He is now vice president of the Cincinnati Literary Club, a member of the President's Conference on Housing and Home Ownership, and a trustee of the Julius Rosenwald Fund. In undertaking his duties as president of the National Municipal League Mr. Seasongood has prepared the following message to the membership:

MESSAGE FROM THE NEW PRESIDENT

My first word must be one of appreciation for the great honor which has been conferred upon me. I accept it with considerable trepidation, having in mind the record of distinguished performance in the office by my immediate predecessor, Richard S. Childs, and the other former presidents of the League.

I should like to see a closer coöperation between the League, public officials and organizations interested or which might be interested in good government. At the present time, many of these do not seem to be cognizant of the admirable work being done by the League or take advantage of its services. If the council approves, therefore, the effort might well be along the lines of better working arrangements with, for example, administrators, political science departments of universities, interested citizens, foundations (which, so far, have shown comparatively little interest in public administration), county and school officials, social workers, the Civil Service Reform League, city and regional planners, the Proportional Representation League, the League of Women Voters and the luncheon clubs.

Advice and suggestions as to how to make the work of the League most effective and to widen its influence will be most welcome.

Murray Seasongood, *President.*

1616 Union Central Bldg.,
Cincinnati, Ohio.

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EDITORIAL COMMENT

The most significant action taken at the annual business meeting of the National Municipal League in Buffalo was the election of Murray Seasongood, former mayor of Cincinnati, to the presidency. Richard S. Childs, having served for three years, declined to be reëlected and when the nominating committee presented the name of Mr. Seasongood it was received with unanimous enthusiasm.

Mr. Seasongood needs no introduction to Review readers. The part he played in the reconstruction of Cincinnati is too well known to merit repetition here. We are fortunate that his great powers of organization and leadership are now to be used on behalf of the further expansion of the N. M. L.

Fortunately the nominating committee, in accepting the resignation of Mr. Childs, also suggested that he be continued as chairman of the council and this suggestion was approved by a unanimous ballot. A resolution of appreciation of the services of the retiring president, not only during his term of office but for many earlier years during critical periods of the League's history, was adopted and applauded by the members.

So the League has performed the difficult feat of eating its cake and having it too. Mr. Childs will continue to help as chairman of the council; Mr. Seasongood adds his strength and influence as president.

*

In our January number we shall begin a series of articles on what municipal home rule means today. The ten or twelve states which have enjoyed the longest experience with constitutional home rule will be treated in successive issues. The first article is from the pen of Professor Edwin A. Cottrell and is entitled, "Home Rule in California Since 1916."

*

The City Managers' Association is to be congratulated upon the prompt publication of that portion of the proceedings of their last convention dealing with unemployment relief and expenditures to meet diminishing income. The bulk of the bulletin concerns the first topic. It makes clear that local government is carrying the major burden of unemployment relief in these serious times.

*

Russell Wilson was reëlected Mayor of Cincinnati on November 3 by the overwhelming vote of 30,328 first choice ballots, two and a half times his P. R. quota. He was the only candidate for council to be elected by first choice ballots. His large surplus is an extraordinary tribute to his ability and dignified leadership.

As recorded in the Notes and Events department of this issue, the Cincinnati City Charter Committee won control of the council for the fourth successive time. Although its representation was reduced from six to five in a body of nine members, the victory is considered a gratifying vote of confidence in a year such as this.

*

Many readers of the REVIEW who know him personally will be interested to learn that Frederick P. Gruenberg has been appointed to the public service commission of Pennsylvania by Governor Pinchot. Rarely in America does a man enter a governmental post with the experience and equipment possessed by Mr. Gruenberg. We congratulate Governor Pinchot and the people of Pennsylvania upon his appointment.

*

Both city manager amendments to the Toledo charter were defeated at the election on November 3. The vote for the small council plan was 23,004 for and 40,000 against. The vote on the large council plan was 22,004 for and 39,000 against. The small council plan carried two wards by small majorities, but the large council plan failed of approval by any ward.

*

While voters of Toledo were declining to accept manager government, those of Utica, New York, adopted it by approving Plan C of the optional city charter act.

*

Election Day proved a serious reversal to the nonpartisan adherents of the Rochester, New York, manager charter. The municipal council had been evenly divided, 4 to 4, between charter adherents and Republican organization representatives. As a result of the November election, the council now will stand 6 to 3 against the charter group. The new majority are members of the Republican organization which originally opposed the adoption of the charter. While it is too early to know definitely their plans, it is generally assumed that the election will result in the resignation of the present manager, Stephen B. Story, and a rather complete change in the department heads.

*

According to Municipal Reference Library Notes, Los Angeles is undertaking one of the most expensive street opening projects ever faced by an American city. A grand total of $3,292,847 is the estimated cost of opening a street for three blocks. All but $72,000 will go to condemnation of land and buildings.

The cause of good government lost a sincere friend in the death of Samuel Mather of Cleveland on October 18, at the age of 80. He had been ill for two weeks but was thought to be recovering. Mr. Mather stood ready always to aid by his influence and wealth any sound movement for community betterment. He had long been a contributing member of the National Municipal League. His death is a serious blow to Cleveland and to the country at large.

The Fifth Congress of the International Union of Local Authorities will be held in London, May 23–30. The following week will be devoted to sightseeing tours of English cities and points of historical interest. A continental tour following the English tour is being arranged to extend throughout the following month. It will cover cities in Germany, Belgium, France, Austria and Italy.

The prices for all tours have been fixed at a very moderate level and it is hoped that a large American delegation will attend. Senator E. Vinck is secretary-general of the International Union with headquarters at 3 Rue de la Régence, Brussels. Luther Gulick, 261 Broadway, New York, is acting as the American representative and inquiries may be directed to him.

*

Voting Machines in the Last Election Elections on November 3 in Pennsylvania and New York in which voting machines were employed reveal more evidence as to their utility. In New York City the election was the quietest and smoothest from a mechanical standpoint held since machines were installed. Only two instances were recorded in which they failed to function. In each case, however, the machine was repaired within fifteen minutes.

In Philadelphia voting machines are reported to have operated as smoothly and precisely as did the Vare organization. But in the Notes and Events department of this issue Mr. Eibling tells another story regarding Pittsburgh. There considerable difficulty was experienced with a machine manufactured by a different company than that which had made the Philadelphia and New York installations. At present a committee of the state senate is investigating the manufacturers of the Pittsburgh machines. Company representatives attribute the breakdowns to deliberate sabotage and voters' inexperience; but others believe that the failures were due to mechanical defects in the machines themselves.

*

Cleveland Abandons Manager Plan By a majority of almost 10,000 in a total of 113,000 ballots, the Cleveland electors decided on November 3 to abandon the manager plan. This represented the fourth and finally successful assault upon a system of government which has been in force since 1924 and which, according to the careful analysis of the Citizens' League of Cleveland, in spite of imperfections brought improvement to the city.

At the National Conference on Government at Buffalo, former Manager Hopkins predicted that Cleveland's defection would be only for a period; that later she would undoubtedly return to the city manager ranks. In the meantime, however, advocates of the plan must confess that the Cleveland vote will be a blow to the popular spread of the movement.

As related by Mr. Reeder in this issue, two developments late in the campaign militated in favor of a change. The first was the Hopkins-Maschke controversy in which Maschke, the Republican boss, replied to charges of Hopkins, former manager, by counter-charges of politics in the Hopkins administration. The second last-minute influence was the action of the county prosecutor in instituting an investigation of policy rackets and gambling involving the police department. The unsupported accusations featured by the press were undoubtedly effective with the voters but by many were believed to be merely a political gesture to aid the Democratic organization in its attack upon the manager plan.

*

Conduct of City Officers in Elections Although the recent general election in Great Britain overshadowed the municipal elections, the latter were not without interest. The municipal campaigns, according to L. Hill, general secretary of the National Association of Local Government Officers, contained for the permanent officers a touch of irony. While candidates for municipal councils were asking for votes to give them the authority to reduce salaries and wages of those engaged in municipal work, the permanent officers continued to perform their functions with the strictest impartiality. Neither by their actions nor their speech could they give the slightest indication of their personal view respecting anything said on the political platform. It was a tribute to the local government officers, declared Mr. Hill, that while they and their jobs were being ridiculed the candidates for municipal council could rely absolutely upon the integrity of the permanent officers who would be responsible for the proper working of the machine which the candidates would operate if elected.

In America many cities and states have just passed through the regular election period. How many administrative officers (it would be sarcasm to call them permanent officers, as they are termed in England) refrained from political work in the election campaign. In England the administrator's duty is to eschew politics. In the United States, we have it on the authority of the postmaster general himself, it is the officer's duty to participate in politics. But is it fair to blame administrative officers for acting politically when they get into office, when we as a people insist that they be selected by election, which means by exclusively political methods?

*

Cities Can Survey Themselves—But

The State Committee on Taxation of the Illinois Chamber of Commerce is responsible for a bulletin outlining a simple program for local surveys of municipal services and costs. Its purpose is to assist committees of citizens, where it is not feasible to establish bureaus of municipal research, in conducting surveys of their own regarding the expenditures of the city. A test survey of Urbana, made in coöperation with the bureau of business research of the University of Illinois, was undertaken in order to establish a procedure which may be employed elsewhere in organizing and carrying out studies of this nature. The bulletin outlines the method by which any city may conduct a self-examination of its public expenditures.

The technique described in the pamphlet is simple and thoroughly familiar to readers of the REVIEW. Perhaps communities considering self-appraisals would be discouraged by a more fundamental attack. The data are of the conventional comparative type of limited significance unless carefully and expertly analyzed before conclusions are drawn therefrom. The pamphlet will be helpful, nevertheless, if it stimulates other cities to make surveys of their own. They will find, however, when they come to examine their local situations carefully, that tests of efficiency more revealing than tables of comparative or per capita expenditures are sadly needed. It is to the misfortune of American cities that no methods have yet been developed by which citizens can measure quickly and accurately the quality of services rendered by their public trustees.

Fortunately, the National Committee on Municipal Standards is doing effective work in developing operating measurements in several selected fields of administration. This work involves coöperation between the committee and its staff in Chicago and numerous professional associations of operating officials. Certain cities are selected for experimental installation of proposed cost and service records prepared in advance with the help of the practical administrative heads concerned. The goal is less guess work and more facts.

HEADLINES

Rutherford County, North Carolina, has just adopted a modified county manager plan, with the chairman of the board of county commissioners designated as manager.

* * *

A movement for city-county consolidation under the manager plan has been launched in Conrad, Montana. Montana adopted a county manager enabling act at the last session of the legislature.

* * *

A new city manager charter to replace the one invalidated by a supreme court decision has been drafted by the board of freeholders in San Buenaventura, California. Several changes have been made in the new charter including the appointment of the city attorney by the commission instead of by the city manager and the provision that the city manager can be employed or discharged by a vote of seven to four. Another interesting provision of the proposed charter is that if a commissioner advises with the manager on an appointment or purchase other than in open meeting, he is liable to fine and forfeiture of his seat on the commission.

* * *

Cleveland's rejection of the city manager plan, anticipated by friends of good government, has created the foreseen stir throughout the country. Instead of proving, however, that the manager plan is not adaptable to large cities, the Cleveland vote merely shows that a Republican administration could not survive the depression!

* * *

The federal government acknowledges the success of the city manager plan. A city manager, assisted by an advisory commission, will govern Boulder City, Nevada, created to house the workers who are constructing Hoover Dam.

* * *

"Microscope invented for election study" was the headline which appeared in a recent edition of the *St. Louis Post Dispatch.* Unfortunately, there was a typographical error and the problem of research in government was not simplified by Professor Milliken's latest invention for studying *elections.*

* * *

Prisoners in jail in Miller County, Arkansas, have been released due to the lack of funds to feed and care for them. Thus Miller County reverts to a primitive order when even protection ceases to be a governmental function.

* * *

"A Municipal University" for the training of city and town officials in the administration of public works is in the process of being established by the New York State Conference of Mayors and Other Municipal Officials. Eleven special training schools have been established and eleven more will be created later.

United States Senator Couzens of Detroit announces that for every nine dollars raised in the city-wide campaign for a private fund to supplement the work of the city welfare department, he will contribute one dollar.

* * *

Cook County, Illinois, can collect taxes by throwing delinquent buildings into the hands of a receiver and having the county act as landlord until the taxes are collected out of rent, according to a recent court ruling.

* * *

Radical revision of the system of control over revenues and expenditures is recommended by the committee on tax revision of the Detroit Board of Commerce. Consolidation of the offices of city and county treasurer, appointment under civil service of one assessor for the entire city and the paring down of the financial powers of the common council are among the list of suggested alterations.

* * *

More than two thousand nomination petitions were filed by candidates for county and municipal offices in Wilkes-Barre, Pennsylvania, at the recent primary election. Were we speaking of short ballots?

* * *

Recommendation that a Chicago metropolitan council be formed to have jurisdiction over all Cook County territory within thirty miles of the city limits, has been made by the sub-committee on governmental consolidation of the Chicago City Council. The plan would eliminate overlapping functions of 450 separate taxing bodies in Cook County.

* * *

A seven-city consolidation plan has been proposed by the Kentfield, California, Chamber of Commerce. The plan, aimed at the reduction of governmental costs, would merge the following cities: Corte Madera, Kentfield, Fairfax, San Anselmo, Ross, Larkspur and San Rafael.

* * *

"Political expediency" caused all the trouble in Chicago and Cook County in the opinion of the executive committee of the Governor's Tax Conference, which has just completed its recommendations for a vigorous legislative program aimed at the restoration of the public credit and relief for distressed taxpayers. The report, adopted by the conference, also urged the necessity of modernizing the revenue provisions of the Illinois State Constitution on the ground that no "equitable and effective system of taxation can be set up until this is done."

* * *

An amendment to the state constitution consolidating the city and county governments of Philadelphia has been introduced at the special session of the Pennsylvania legislature. The measure is reported to have strong backing.

* * *

The state administrative reorganization program of Governor William Tudor Gardner of Maine carried by a large majority at the recent referendum.

HOWARD P. JONES.

CHICAGO'S POOR RELIEF MACHINERY STANDS THE TEST

BY W. S. REYNOLDS

Director, Council of Social Agencies of Chicago

The Council of Social Agencies in which public and private agencies are joined, using experience gained in more normal times and coöperating with the Governor's Commission on Unemployment, coördinates poor relief in Chicago. Another in our series of how cities are feeding their hungry. :: :: :: :: :: :: ::

A CONDITION of general unemployment like the one through which we are living at present has been likened to fire, flood or war. Our social agencies are faced with the necessity of administering "disaster relief," their main preoccupation being to see that people are fed, clothed and housed against the weather. But fire and flood may come upon us suddenly, war often seems to take us by surprise; while a widespread business depression is of slow growth, no matter how rudely swift is the awakening in which we realize that it is actually here.

"1928 and 1929 were years for caution," said Mr. Morrow. "1930 and 1931 are years for courage." Perhaps a little more caution and a little more foresight in the years which preceded this catastrophe might have saved us some of the courage and many of the well-meaning errors with which we have met it. However that may be, such a condition is not truly comparable to fire or flood, or even war. These are acute emergencies which may be dealt with by emergency measures. They come and are gone, and life proceeds as it did before. But the machinery necessary to deal with a widespread business depression must be carefully constructed by years of wise planning to stand the test of the depression itself and the necessary reconstruction which follows it. There is, moreover, an ever-present reason and opportunity to build and test such machinery in the necessity for administering relief, by public and private means, to the poor and the unfortunate even in normal times.

Year in and year out this work goes on, and in prosperous seasons a measure of inefficiency in its administration may escape our notice. But when a panic overtakes us, our methods are tested and carelessly constructed plans for social welfare break down under the test. Our mistakes are brought glaringly to the light and everyone wonders why no one gave thought to these things before.

SUCCESS BASED ON YEARS OF EXPERIENCE

The measure of success with which Chicago and Cook County have weathered this present dilemma is largely due to the fact that our plan of administering relief has been carefully tried through many years of experience in carrying the normal load of destitution and distress in a large city. It was not necessary to build up any new machinery but merely to expand swiftly the existing set-up to meet the increasing need. The Governor's Commission on Unemployment and Relief was mainly concerned with raising its $5,000,000 fund to supplement the budgets of our private agencies. The distribution of these funds was carried on, almost without exception, through the already existing channels, the organized social agencies of Chicago.

The Council of Social Agencies, in which 200 recognized organizations, public and private, hold membership, assumed at once the position of interpreter for the social welfare field of the city to the governor's commission. It was able to speak authoritatively as to the needs of its member agencies, and its recommendations were accepted without question. But perhaps the most significant factor in the smoothness with which the winter's program proceeded was our well-established policy of coöperation between public and private relief, which has long been an important aspect of our planning for Chicago.

The Social Service Exchange, a department of the Council's work, has a confidential file of more than 1,000,000 names. One hundred and fifty-five case-working agencies, both public and private, use this medium for clearing their cases. In normal times this system is efficient. In the present crisis it has been indispensable. One hundred and ninety thousand six hundred and sixty-five cases were cleared in 1930, and the vast amount of necessary relief efficiently distributed without duplication or loss of time, energy or money, by expanding the existing medium to meet the emergency requirements.

METHODS WELL WORKED OUT

Another carefully constructed policy which stood the test of last winter was that family relief should be shared by our public and private agencies. County assistance is supplemented, whenever necessary, by private charity; and the case worker of a private family welfare agency does not abandon her client when she calls on the county for help. Case by case, through years of normal living, the details of this coöperation have been worked out until there is an established precedent for practically every problem. The county accepts the investigations of reputable private agencies, and the private agencies assume responsibility for such cases as could not properly be handled by public funds. For instance, when clothing and other supplementary help is necessary, for which the county cannot appeal to the public, lest they feel themselves doubly taxed, the private charities assume the burden. Young normal families faced with acute illness, or some short-time distress, are referred to the private agencies, since the timely and intensive case work for which such organizations are equipped may prevent demoralization before such a family becomes a public charge. In able-bodied veterans' cases the county takes the leadership; but disabled veterans of the world war are handled by the American Red Cross. The county assumes responsibility for long-time cases involving substantial allowances of money; and so on, for more pages than I would care to write or you to read.

Again we call attention to the fact that this detailed team-play did not spring into being when banks began to fail, but that it was the slow growth of years, originating in the friendly contact brought about between public and private forces for social service in our Council of Social Agencies of Chicago.

WAGES RATHER THAN DOLES

Another example of the way existing machinery may be enlarged to meet a suddenly increased demand was illustrated, last winter, in the administration of the special work fund supplied by the governor's commission. The payment of wages instead of relief to able-bodied family men has been a steadily evolving policy of Chicago social work. Early in the fall of 1930 the commission set aside $1,000,000 to provide work and a stabilizing wage for the heads of families who would otherwise have been dependent on the relief agencies of the city.

Eight thousand two hundred and twenty-eight heads of families were, accordingly, provided with a basic livelihood between October 22, 1930 and April 27, 1931. Two hundred and three thousand, six hundred and seventy days' work were given to these heads of families, and $1,047,526.58 paid in wages.

The men employed were referred to the Special Work Division by the six leading relief agencies of the city on a quota basis, after a careful investigation of their family situation and need. This arrangement with the private agencies relieved the special work fund from "attempted invasions of all kinds, from those of the ward boss to appeals from Lady Bountifuls who had given a few dollars to the fund." I quote from the report of the director, Dr. Martin H. Bickham, superintendent of the Special Work Division of the Illinois Free Employment Service.

In conclusion, let me say that we feel no smug satisfaction over the way Chicago has met, and is meeting, these trying days. We are acutely conscious of our shortcomings and alive to possibilities of improvement. Another hard winter is ahead, and there is another relief fund to be raised and administered. But as we face the future we are sustained by the knowledge that the spirit of coöperation built in years of careful planning under normal conditions has stood the test of one year of unusual strain and stress. The relationship between our public and private agencies is closer, if possible, than at the beginning of these hard times. Our policies are sound. Our machinery works. And we are facing the coming winter with the courage which will still be necessary in 1932.

SPECIAL COURTS FOR ADMINISTRATIVE CASES

BY MARSHALL E. DIMOCK

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The author urges a special commerce court with jurisdiction in cases in which the government undertakes to regulate business, the personnel of the court to be representative of employers, employees and consumers.

In the November issue the present writer described the so-called mixed enterprises of Europe and suggested that they would, if introduced into this country, possibly aid in the solution of the present tangle. But even if such hybrid industries are established here there will still remain the necessity on occasion to go to the courts.

SPECIAL COURTS FOR PUBLIC UTILITIES

Especially in the United States, where review of legislation and of administrative action is the rule, the courts cannot be left out of account. For that reason some careful students are beginning to say that an important change in the present framework and jurisdiction of our court system must be brought about in order to harmonize the progressivism of legislators and the frequent conservatism of the highest courts. In referring to this matter John Bauer has said, "Perhaps the simplest course would be congressional action limiting the jurisdiction of the federal courts in state public utility cases to appeal after decision by the highest court of the state." [1]

SITUATION UNSATISFACTORY

The unsatisfactory nature of the present situation with regard to review is apparent even to foreigners. Perhaps the keenest European critic of American judicial institutions is Professor Edouard Lambert, of the University of Lyons. He states unequivocally that the substitution of the economic and social philosophies of judges for that of legislators has had the result of erecting a political judiciary against a political legislature, and often in conflict with each other on the most irritating questions of a changing political and economic order. "It is not surprising to find then," says he, "that it operates to the detriment of the popularity and confidence ordinarily belonging to courts of justice." [2] If it were only widely recognized that in regulation cases it is inevitable that the courts should establish their political and social ideas, if they are to overrule the commissions on economic questions, perhaps a satisfactory solution would be found.

The writer believes that a limitation upon the Supreme Court's jurisdiction would not suffice. A special court to handle commercial and industrial cases is advisable. One finds them almost everywhere in Europe: in France, Germany, Holland, Belgium, Italy, Austria, and in other countries. Industrial courts are regarded as indispensable, as accompaniments of the new interest representation movement which has been recognized officially throughout Europe.[3]

The United States experimented for two years, 1911–1913, with a Commerce Court, but it was abolished because of reasons which are difficult to ascertain positively. President Taft's appointees were probably reactionary, as his apponents alleged. No doubt there were defects in the court's powers and procedure. But it was not given a fair test.

There is great need for such a specialized court in the administrative court system which is forming in this country. In the case of *Ex Parte Bakelite* [4] the Supreme Court drew an important distinction between "constitutional" courts and "legislative" courts—a distinction which may lead, and the writer hopes it will, to the creation of an independent and integrated system of administrative courts.[5] It seems unfortunate that the Supreme Court does not adopt the term "administrative" courts in place of "legislative" courts. But words are not as vital as substance. It is hoped that a commerce court will be created and that unlike the special courts of European countries, those of the United States will be organized into a unified administrative system, with a supreme court of appeals at the top.

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[1] Public Utilities, NATIONAL MUNICIPAL REVIEW, Vol. 19, No. 2 (Feb. 1930), p. 112.

[2] *Le Gouvernement des Juges et la Lutte contra la Legislation Sociale aux Etats-Unis*, pp. 53, 55 and 60.

[3] For France, see E. Privat, *Les Tribunaux de Commerce* (Paris, 1925). For Germany, Blachly and Oatman, *The Government and Administration of Germany*, 424–428; R. K. Michels, *Cartels, Combines, and Trusts in Post-War Germany*, 59; Grass, *Die Kartellgerichtsbarkeit* (Munich, 1928).

[4] 279 U. S. 438 (1929).

[5] See an article by W. G. Katz, Federal Legislative Courts, in the *Harvard Law Review*, Vol. 43, No. 6 (April, 1930).

PROVISIONS FOR A COMMERCE COURT

Provision for a commerce court might include features such as these:

1. The court's jurisdiction would extend to cases arising in the interstate commerce commission, the federal trade commission, the tariff commission, the federal power commission, and the federal radio commission.[1] Perhaps more than one such special court would be necessary. Appeals from state tribunals might be limited in the manner suggested above by Mr. Bauer.

2. The personnel of the court should be drawn from the most accomplished representatives of the employers, employees, and consumers. Inasmuch as regulation matters do, in many cases, involve social and economic questions it is only right that interests should be represented judicially, in the manner they are in Germany and in other countries.

3. The training of the judges should include intensive study in economics and accounting, public administration, administrative law, and specialization in one of the phases of regulation which comes under the commerce clause.

4. Appointments might be made by the President from a list of nominees submitted by the three interest groups concerned. Security of tenure should be guaranteed.[2]

5. Appeal might lie to the highest administrative court, say the present Court of Appeals of the District of Columbia.

6. Congress should clarify and complete the commerce law relative to matters now under its control. It should express its will relative to the valuation theory to be applied by the commerce court.

CONCLUSION

If mixed enterprises should become popular in the United States, with the resulting regulation involved in their composition, the need for so far-reaching a court reform might not be as great. It would be desirable nevertheless. Courts already specialize. Greater specialization must take place in reference to commerce cases. If economic research men can expect to be proficient in only one part of the entire field, is it not too much to expect non-specialized courts to be omnicompetent? Our willingness to change the existing arrangement depends upon our realizing that special preparation and the division of labor are as necessary in government as in industry. That idea did not begin to take hold in our country until a few years ago. Its progress may be seen in several directions, in the number of regulatory commissions for example. But at present these technicians are given very little chance to act as experts. "Administrative finality" becomes a sterile phrase. The attempted demarcation between fact and law does not seem to mean much.

The regulation tangle becomes more knotted. The unraveling of it will no doubt depend upon developments in both industry and government. Mixed enterprises offer features worthy of consideration. They would be a great boon to cities already up to their necks in debt. On the governmental side, a specialized commerce court composed of expert judges would go far to break the deadlock between the commissions and the courts.[3]

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[1] For a recent proposal concerning a special radio court, see *U. S. Daily*, 1195, June 14, 1930.

[2] See the suggestions of James Hart, *Tenure of Office under the Constitution*, pp. 149 ff.

[3] The timeliness of this proposal is recognized by former assistant attorney-general William J. Donovan, "The need for a commerce court," *The Annals*, Vol. 147, p. 138 (Jan. 1930).

CITIZENS' COMMITTEE SUPERVISES EXPENDITURE OF ST. LOUIS BOND ISSUE

BY F. E. LAWRENCE, JR.

Assistant Director, Civic Bureau, St. Louis Chamber of Commerce

A citizens' bond issue supervisory committee successfully coöperates with the city government in the expenditure of an $87,000,000 bond issue. :: :: :: :: :: :: :: :: ::

In 1920, the citizens of St. Louis were given the opportunity to vote on a bond issue of approximately $20,000,000. Many of the proposed improvements in this issue were of vital necessity to the continued welfare of the community. However, the electorate refused to support the proposals, and as a consequence business and civic leaders were temporarily at a loss as to the proper steps to take to bring the matter again to the voters' attention, in order to procure the needed betterments.

Casting about for a means of generating greater support for these improvements, a group of citizens finally decided that if any success was to be forthcoming, it would be necessary to disassociate, as far as legally possible, all forms of politics in the preparation of an improvement program. This group of leaders hit upon the scheme of creating a city-wide organization of improvement, business, and civic associations, to determine the most pressing needs of the various sections of the city, so that instead of having bond issue proposals eminate from the municipal administration, they would come directly from the citizens themselves. This organization, comprising about two hundred and fifty (250) groups, was known as the Council on Civic Needs, and an intensive educational campaign was carried on through it. All sections of the city were invited and urged to present suggestions as to the most needed improvements.

For nearly two years the Council deliberated on the proposals submitted, which involved a total cost of more than $150,000,000, although at the time the city of St. Louis possessed a bonding power of but $90,000,000. Eventually the Council agreed to present to the municipal officers a public improvement program comprising most of these suggestions and listing them in the order of their urgency, according to the views of the citizens.

WHY CITIZEN SUPERVISION WAS NECESSARY

The failure of the 1920 bond issue had been attributed in a large measure to the lack of faith in the ability of the municipal administration wisely to carry out the program. The second effort, springing from the citizens themselves through the machinery of the Council on Civic Needs, seemed almost certain to succeed, provided some check upon expenditure of the funds could be arranged without conflict with the organic laws of the commonwealth. The Citizens Group believed that the creation of a Bond Issue Supervisory Committee, containing among its membership the principal officer of the Chamber of Commerce, Real Estate Exchange, Merchants Exchange, Building Trades Council, Bar Association, Central Trades and Labor Union, Bureau of Municipal Research, Merchants and Manufacturers Association, Federation of Womens Clubs, and seven other citizens representative of the larger civic and improvement associations, would assure definite supervision of bond fund expenditures. To obtain the support of the citizens when the ordinance for the election on the bond issue was reported to the board of aldermen, there was presented at the same time a report pledging all of the municipal administration not to authorize the expenditure of any monies from the proposed bond issue unless, and until, this Citizens Committee, which was appointed prior to the election, had sanctioned the expenditure of the funds.

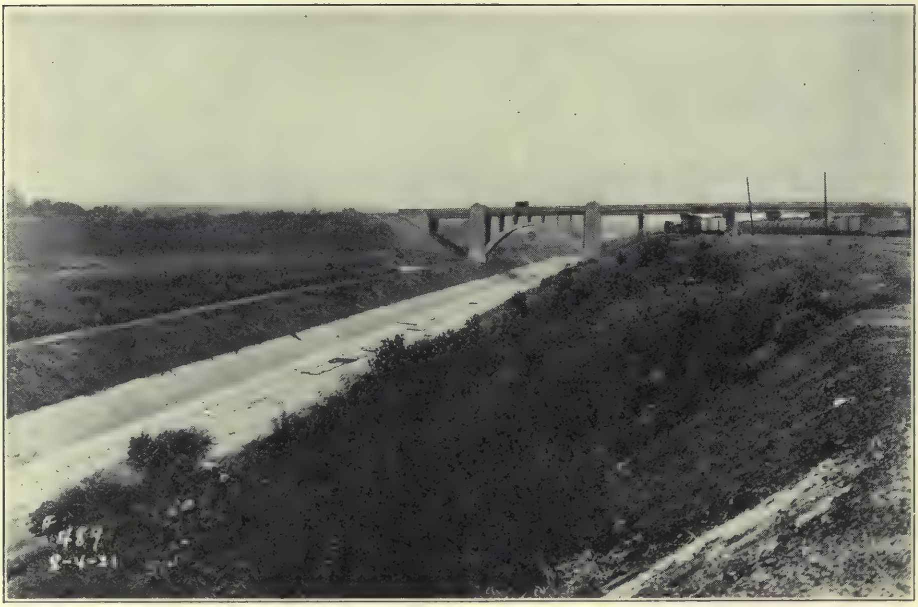
As a result of the specific arrangement for citizen supervision, when the proposals were submitted to the electorate on February 9, 1923, the entire issue of $87,000,000, which had been pared down by the municipal officers to fall within the bonding authority, was overwhelmingly approved.

CITIZENS' COMMITTEE A SUCCESS

It is the purpose of this article to discuss the results of citizen control during the past eight years. After eight years of existence, it can be said that the plan has proven its worth. On April 12, 1931, the comptroller of St. Louis reported that $63,361,000 had been expended from the bond issue of $87,372,000 approved by the citizens of St. Louis on February 9, 1923. The expenditures included the sum of $5,000,000 for the opening and widening of streets (city's share); $2,400,000 for the acquisition of land for a plaza in front of Union Station; $3,200,000 for improving streets and highways; $8,000,000 for a new electric street lighting system; $4,000,000 for the erection of

River des Peres before Improvement

a new court house; $9,000,000 for the conversion of the River des Peres into a public sewer; $2,700,000 for additions to hospitals; $5,400,000 for land acquisition for a civic center; $700,000 for new facilities for the fire department; $1,500,000 for a railroad approach to the Municipal Bridge over the Mississippi River; $1,170,000 for the construction of new public markets; and $11,800,000 for a new waterworks. There remains to be expended out of the 1923 bond issue approximately $24,000,000, or about one-fourth of the total issue.



River des Peres after Improvement to Protect 1,600 Acres from Overflow

As an illustration of the efficacy of this scheme of citizen control, it is but necessary to call attention to two of the largest items in the bond issue program; that of the $12,000,000 for waterworks improvement, and the one for the $11,000,000 for the River des Peres sewer project. In both instances the projects are being completed with a substantial balance of the funds remaining in the two items. In the case of the water supply improvement, the capacity of the St. Louis system has been doubled. In the case of the river improvement, a stream having previously sixty-two sewer outlets has now been converted into a public sewer thirteen miles long, through the most populated sections of the city.

THE STREET LIGHTING SYSTEM

The third large item in the bond issue of 1923 was for the expenditure of $8,000,000 in installing an electric street lighting system. It had been anticipated that this sum would provide for a city-wide installation. However, all of the $8,000,000 has been expended, but there still remains about one-third of the city to be lighted by electricity, which it is anticipated will cost another $4,000,000, and will require another bond issue. The shortage in this scheme cannot be traced to laxness on the part of the Citizens Committee. When the ordinances for the project were before the committee, they were all discussed and approved on the basis of a unit price, and the committee was naturally only concerned with the reasonableness of that unit price. The fact that after the ordinance had been approved by the citizens' group, officials in charge of the installation saw fit to install more units in several districts than had been anticipated, cannot substantiate a charge of failure of the scheme of citizen control.

ATTEMPTS BY POLITICIANS TO IGNORE COMMITTEE FAIL

There is no denying the fact that on several occasions attempts have been made to ignore the pledges made to abide by the decision of the Citizens Committee. Whenever these attempts have been made, the responses of the public have been so vehement that the net result has been that the Citizens Committee is, at the present time, more firmly implanted in the confidence of the public than ever before, while on the other hand the attempts to ignore the committee are less frequent.

It is but natural that some question might arise as to whether or not certain contractors of influence with the administration have not received the benefit of the bond issue. Undoubtedly they have, but it must be remembered that the St. Louis charter provides that all public work must be advertised, and that the lowest responsible bidder shall receive the contract. Should the lowest bidder happen to be influential with the administration, there can be no cause for complaint, for he must comply with the law and the machinery set up for supervision.

Undoubtedly, in the future there will be more bond issues in St. Louis, but it is certain that when they are proposed the citizen form of supervision will be a principal factor in the expenditure of any of the funds.

BERLIN'S NEW GOVERNMENT

BY PROFESSOR DR. WALTER NORDEN

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Translated by Roger H. Wells, Bryn Mawr College

The law of 1920 which set up a metropolitan government for Greater Berlin was revised last March to provide greater centralization of executive power. The position of chief burgomaster is strengthened. Municipal finances and public utilities raise perplexing questions.

GREATER BERLIN was created by the act of April 27, 1920, which, by uniting eight cities, fifty-nine rural communes, and twenty-seven manorial estates, resulted in a territorial reform more extensive than any previously adopted in Germany. Attempts at legal regulation of the problem of Greater Berlin date back to 1875 but all plans were shattered, first by the opposition of the city of Berlin, and subsequently by the pressure of the ever-growing suburbs for continued autonomy. The inconveniences which grew out of the territorial disunity were exceptionally great, particularly in the gas, water, electricity, and transportation services, in street construction, and in building and planning legislation. In addition, the liberal parties objected to the inequality of tax burdens within the Berlin area and demanded a real equalization of such burdens.

Since the suburbs would not be voluntarily annexed to the city of Berlin and since the state legislature wished to avoid compulsion, an *ad hoc* authority (the *Zweckverband Gross-Berlin*) was formed as a public law corporation on July 11, 1911. To this new authority were entrusted certain functions such as the establishment of building lines and plans, the regulation of transportation, and the reservation of parks and open spaces for all municipalities within the metropolitan district. On the whole, the *Zweckverband* achieved much; but it did not have the necessary elasticity to administer satisfactorily the manifold problems which war-time economy brought. It was, therefore, not surprising that further use of the *Zweckverband* was not thought of after 1918. On the contrary, the formation of a centralized city was regarded as the only way of setting aside the numerous disadvantages that existed.

Looking back over the recent years, it is clear that the establishment of a unified Berlin has been amply justified. It may be granted that in details the boundaries of Berlin are open to criticism and that various administrative questions have been inadequately solved. Nevertheless, the centralized city has proved its worth especially in transportation, city planning, municipal undertakings, and, above all, as a factor in financial equalization.

THE DEFECTS OF ORGANIZATION UNDER THE 1920 LAW

Before one considers the present organization, one must understand the defects in Berlin's government which led to the charter reform of March, 1931. Like all cities in the eastern provinces of Prussia, Berlin had a bicameral type of government known as the "*Magistratsverfassung*" (magisterial form of government). The deliberative organ was the city council. The executive was the collegial administrative board (*Magistrat*) consisting of paid (professional) and unpaid (lay) members; and decisions of the council were not legally valid without the approval of the *Magistrat.* The latter function of the *Magistrat* was conceived of as a preventive measure against hasty decisions of the council. It was to enable the experts in the *Magistrat* to correct actions taken from purely political motives or from the standpoint of selfish interests.

In the post-war period the *Magistrat* was able to fulfill this function only to a limited extent. It was no longer as formerly a body of experts but was elected along party lines (*i.e.*, the unpaid members) or with a definite emphasis on political considerations (in the case of the paid members). The "brake function," which presupposes purely objective decisions of the *Magistrat,* was thereby adversely affected. As for executive functions, the *Magistrat,* because of its collegial character, often paralyzed initiative and hampered the sense of responsibility.

Moreover, the institution of unpaid members of the *Magistrat* (*unbesoldete Stadräte*) seemed unsuitable, at least for Berlin. Even if an unpaid *Stadtrat* were put in charge of a small department or office—which was not at all the case in Berlin—he could only perform his duties if he devoted his whole time to the task. Quite apart from the current business of the department or office, his time was so taken up with committee and other meetings, trips on official business, etc., that his honorary office became a full-time activity. It is not surprising that such a burden could seldom be undertaken by the ablest and most experienced of the city councilmen.

The Berlin *Magistrat,* which consisted of twenty-four members (formerly thirty), twelve of whom were paid and twelve unpaid, was a kind of little parliament. In it, the political contrasts of the city council were again reflected. Too often, the *Magistrat* showed itself weak in its dealings with the council. Of a unified administration, of a great policy, of a strong will which must dominate such a giant organization as Berlin, there was no talk. Hence it was not surprising that, as was repeatedly emphasized in the hearings before the state legislature's investigating committee, the administration was split open and the leading men lost their perspective.

According to the act of 1920, the city council consisted of 225 members, a number far too large for efficiency. Of course, a smaller number of councilmen would have limited the idea of self-government but one must become accustomed to the fact that in our giant cities there can be no more self-government in the original sense. In other respects also, one may now speak only relatively of self-government. At the most, interest in the decisions of the city's governing organs still exists only if they have a political character or involve a vital question.

The division of Berlin's territory (which, with its 341.3 square miles, is exceeded only by Los Angeles), into twenty districts was carried through in 1920 and endeavored to take account of historical developments. This explains the great differences between the districts, both as to area and as to population. The size of the districts varies from 3.3 square miles (Friedrichshain) to 47.7 square miles (Cöpenick); the population from 55,000 (Zehlendorf) to 386,400 (Kreuzberg). Some correction, therefore, seems necessary through the consolidation of the smaller districts. Of course, one must recognize that too great an enlargement of the districts would make them unsuited for their task of serving as agents of that genuine local self-government which is impossible in the central authorities.

As district legislative organs, the district councils were set up with membership varying from fifteen to forty-five. There were in Berlin 780 district councilmen which, with the 225 central councilmen, made a total of 1,005 municipal legislators. The collegial district executives or district boards (*Bezirksämter*) were composed of from twelve to fifteen members, the number of the paid members being always one less than the number of the unpaid.

The criticism made of the unpaid members of the central *Magistrat* applies also to the unpaid members of the district boards. Here, likewise, the burden of work was such that only rarely could it be satisfactorily handled on a part-time basis. The collegial type of organization made more difficult the conduct of business. Political disputes arose in the district boards although in district administration, politics could be largely excluded without harm.

Complaint has often been made of the strong political flavor of the district councils and rightly so. However, in those councils where the rules of procedure were rigidly followed, thoroughly good work was accomplished. As an excuse for the failure of some of the district councils must be mentioned the lack of a clear division of functions between central and district authorities. Because the central *Magistrat* and council more and more restricted the powers of the district councils, the conceivable activity of district councilmen finally was forced to work out in endless purely political debates.

The friction between the central

power and the districts was increased by the lack of organic connection between the *Magistrat* and the district boards. At best, the chairmen of the district boards (*i.e.*, the district burgomasters), could only indirectly influence the decisions of the central organs. Only in rare cases were the wide experiences of the district burgomasters given sufficient consideration. It was a mistake thus to exclude them. The district burgomasters should have been given a positive influence in the formation of the decisions of the central organs so as to strengthen in them a sense of responsibility for the entire administration.

THE REFORM OF MARCH 30, 1931

It will next be interesting to see what conclusions the act of March 30, 1931, which placed Berlin's governmental organization upon a new basis, drew from the defects described above. In the spring of 1930, the Prussian ministry of the interior proposed a comprehensive draft of a "Self-Government Act for the Capital Berlin" which involved a complete reorganization of Berlin's government. It called for the abolition of the *Magistratsverfassung* and the introduction of the unicameral-mayor plan (*Bürgermeistereisystem*). From the outset, the parliamentary proceedings relating to the bill stood under an unlucky star. Under all circumstances, the Middle and Right parties desired to retain the *Magistratsverfassung*, although with certain modifications. To them, the new plan in various details seemed pronouncedly cut to suit the wishes of the Social Democratic Party. Moreover, even the Social Democratic Party did not completely agree with the draft of its minister. Hence there resulted the remarkable spectacle of a bill that was supported by no party in the legislature. Out of the many individual wishes of the political groups and out of the continued pressure of the cabinet which laid great stress on the speedy enactment of the law, there finally emerged a moderate bill which altered the existing charter of Berlin in a few, but nevertheless important, points.

The new form of the charter was a compromise between the *Magistratsverfassung* and the *Bürgermeistereisystem*. Under it, the governing organs are the city council, the city committee (*Stadtgemeindeausschuss*), the *Magistrat*, and the chief burgomaster. The number of the city councilmen remains unchanged at 225. The *Stadtgemeindeausschuss* consists of 45 members elected by (and from) the city council. The council chooses its own chairman but the chairmanship in the *Stadtgemeindeausschuss* is held by the chief burgomaster with full voting power and with a casting vote in case of tie. The sessions of the *Stadtgemeindeausschuss* are not open to the public but councilmen who do not belong to it may attend its deliberations. The *Magistrat* consists of the chief burgomaster, two assistant burgomasters, nine paid and six unpaid *Stadträte*, making a total of eighteen members. The *Magistrat* functions under the chairmanship of the chief burgomaster who has a casting vote in case of tie.

The powers of the council are specifically enumerated, all important matters being reserved to it. However, for the period for which it is elected, the council may delegate its powers to the *Stadtgemeindeausschuss*. But the enactment of local ordinances and elections to the Prussian council of state may not be delegated by the council. Decisions of the city council and of the *Stadtgemeindeausschuss* require the approval of the *Magistrat*. In case of dispute, a joint session (of the *Magistrat* and *Stadtgemeindeausschuss*) must be held under the chairmanship of the chief burgomaster for the purpose of bringing about an agreement. If this fails, the matter is settled according to the former procedure laid down in the municipal charter law.

Upon demand of the *Magistrat* or of two-thirds of the members of the *Stadtgemeindeausschuss*, any matter delegated to the *Stadtgemeindeausschuss* may, together with the recommendations of the *Stadtgemeindeausschuss* on that matter, be brought before the full council for final action. In specified cases, the executive of the city is the *Magistrat*, otherwise the chief burgomaster. The *Magistrat* prepares business for the city council and for the *Stadtgemeindeausschuss* and decides concerning all proposals that are to be laid before them. Subject to hearing by the *Stadtgemeindeausschuss*, the *Magistrat* issues the general principles necessary to secure unity of administration.

The chief burgomaster conducts the administration and executes such decisions of the city council and of the *Stadtgemeindeausschuss* as have been approved by the *Magistrat*. He directs and apportions administrative business and supervises it. He is the superior of all officials and appoints and dismisses the employees and workers. The officials and leading employees are named by the *Magistrat* upon proposal of the chief burgomaster, to whom is also reserved the decision as to the retirement of officials.

In the future, the sessions of the district council are no longer to be public. A new provision is that whereby the district burgomaster becomes chairman of the district council with full voting power. General principles governing the relations of central and district organs are to be drawn up in a local ordinance subject to the approval of the state cabinet. The content of this local ordinance will be of decisive influence for the functioning of Berlin's government. The law provides for the enactment of the ordinance within one year; otherwise it will be decreed by the cabinet. Functions are to be divided between central and district authorities in such a way that only those matters which demand unified administration for the entire area are to be centrally undertaken. All other functions are reserved to the districts. The district boards are subordinated to the directions of the chief burgomaster in so far as central regulations have been issued for particular branches of administration.

The increased state supervision proposed in the government's original bill did not become law and the previous provisions remain in force. The chief burgomaster and the assistant burgomasters must be confirmed in office by the state cabinet, the *Stadräte* and the members of the district boards by the state supervisory authorities. A new election of the city council was not provided.

BERLIN FACES DIFFICULT TASKS

Berlin's new governmental organization involves no really thorough reform. Even if the result of the law is insufficient, still one must hope and wish that the new organization will provide a workable basis for the important tasks which confront Berlin in the immediate future. One is the more justified in being optimistic since the new men who stand at the head of Berlin's government are persons of rich municipal experience. After several candidates had voluntarily withdrawn, the election of chief burgomaster fell upon the former president of the free city of Danzig, Dr. Sahm. Sahm was formerly burgomaster in a number of the larger German cities and from the close of the World War to 1930 was the head of Danzig. In this extraordinarily responsible and difficult work, he won for himself the greatest confidence even in international circles.

The former syndic of the city, Lange, a man of unusual technical knowledge and of intimate acquaintance with Berlin conditions, was chosen one of the two burgomasters. Burgomaster Lange, together with Burgomaster Scholz who recently retired from office, conducted Berlin's administration *pro tem.* for a year and a half with great success. For the other burgomaster post, there was named the vice-president of the German Union of Cities, Dr. Elsas, a person who in his former position enjoyed the confidence of municipal political leaders of all parties. Berlin's difficult financial questions were turned over to Mr. Asch, who previously was treasurer of the city of Frankfort-on-the-Main. Asch enjoys the reputation of having remarkable knowledge of financial, economic, and tax questions. Because of his great achievements in the past, one may also expect that he will reorganize Berlin's finances. From now on, these four men will give the stamp to Berlin's governmental policy.

CLEANING UP THE PUBLIC UTILITIES OWNED BY THE CITY

One of their first problems was to clean up Berlin's municipal undertakings. The great utilities such as the Berlin Electric Company (*BEWAG*), the Berlin Gas Company, the water works, and that new giant concern, the Berlin Transportation Company in which are united the street railways, the subways, and the bus lines, are all entirely owned by the city of Berlin. No doubt Berlin has accomplished much in the development of these undertakings, particularly the transportation and electric services which have been built up according to the most modern points of view. Nevertheless, it seems that the extension of these enterprises was somewhat overdone, and they were not spared from the great economic depression under which Germany and especially Berlin suffer. In order to cover its very large short term indebtedness, Berlin was compelled to transform its electric works into a mixed economic undertaking; in other words, to sell a part of the city's property. It is possible that a part of the stock of the gas works must also be sold. The transformation of a purely municipal enterprise into a mixed company did not happen because it is believed the latter type is absolutely better than the former. On the contrary, a majority of the municipal leaders and most of the political parties hold that a publicly owned and operated company is to be preferred for utilities of a monopolistic character. Whatever may be one's attitude as to the details of this disputed question of municipal economics and politics, the transformation of "*BEWAG*" into the "*Berliner Licht- und Kraft-Aktiengesellschaft*" is solely to be explained by Berlin's acute financial situation. The financing of the new company was in the following proportions:

I. Class A stock (with double voting rights)	*Marks*
City of Berlin	30,000,000
Elektrowerke (owned by the *Reich*)	25,000,000
PREAG (owned by Prussia)	25,000,000
	80,000,000
II. Class B stock	
(a) Non-European quota	
Chase National Bank	40,000,000
Harris, Forbes & Co. (in place of Otis)	40,000,000
	80,000,000
(b) European quota	
English banks under the leadership of Schröder & Co.	10,000,000
Baseler Handelsbank	10,000,000
Stockholm Enskilda Bank	7,000,000
Mendelssohn-Amsterdam and *Neederlandsche Handels Mij.*	7,000,000
Banca Commerciale Italiana	6,000,000
	40,000,000

(c) German quota	*Marks*
Gesfürel	10,000,000
Reichskreditgesellschaft, Seehandlung, Deutsche Bank, Darmstädter Bank, Commerz Bank, Handelsgesellschaft, Mendelssohn, Warburg, and other great private banking firms	30,000,000
	40,000,000

The next problems which confront the Berlin government will be to restore the profitableness of the Berlin Transportation Company and to put in final order the municipal finances by covering the large floating debt. The budget for the year 1931 at least approximately balances. The establishment of the balance was only possible by drastic reductions and by increasing the taxes to still higher and scarcely bearable amounts. In general, there is hope that with the successful creation of a new legal basis, the finances of Berlin can be put in order in a relatively short time unless an entirely unforeseen political and economic development takes place. In the statute of March 30, 1931, which modernized Berlin's charter, the overwhelming majority of Berlin's citizens see a basis for a future sound municipal policy.

COMPARATIVE TAX RATES OF 290 CITIES, 1931

BY C. E. RIGHTOR

Detroit Bureau of Governmental Research

Tax rates in 1931 still continued their upward climb, reports Mr. Rightor in this, the tenth, annual compilation and comparison of municipal tax burdens. :: :: :: :: :: :: :: ::

THE accompanying table presents in tabular form the tax rates in 290 cities having over 30,000 population in the United States and Canada. This is the tenth annual compilation of its kind.

The table supplies an accurate and concise answer to the inquiry of how the tax rates of various cities compare for the current year. The answer is of interest not alone to students of political science and the press, but to public officials on the one hand and taxpayers on the other. Regardless of the factors which enter to complicate the problem for cities in various states, the tax rate yet has an influence upon a city's credit rating.

The objective of the compilation is the same as in former years, to report the total tax rate for $1,000 valuation of all taxable property as levied for the year 1931, detailed by purposes.

THE TABLES

The table is largely self-explanatory, through the columnar headings. One important change has been made this year, with a desire to simplify the presentation and the better to adapt it to comparative use. To this end, the columns heretofore used, "Total tax rate per $1,000" and "Adjusted tax rate to uniform 100% basis of assessment," are combined and the percentage column "Legal basis of assessment" dropped. In those relatively few cities which are not upon a legal 100 per cent basis, the resultant adjustment in the rates necessary to report them upon a uniform basis was made in the column "Total tax rate per

$1,000," and the deviation in the legal basis from the prevailing 100 per cent was reported in a footnote.

The cities are listed in order of population according to the official 1930 census, and by the five census groups. The Canadian cities also are listed according to the latest census data available.

The total assessed valuation is next shown, with the percentage distribution as between realty and personalty.

The beginning of the city's fiscal year is next stated, together with the date or dates of tax collection.

The tax rate per $1,000 of assessed valuation follows, reported separately for city, school, county and state purposes, and in total. These are the actual rates which are the basis for a tax bill for a parcel of property assessed at $1,000 except as noted for cities not having a 100 per cent basis of assessment. It should not be assumed, however, unless the information contained in the footnotes is taken into account, that the tax rate multiplied by the reported assessed valuation would give the total tax levy for the year.

Finally, the last two columns report the estimated ratio of assessed value to legal basis of value and the resultant readjusted tax rate per $1,000. It should be emphasized that all but these two columns are based upon actual facts, whereas the percentage figure in the next to final column must ordinarily be but a careful estimate, and consequently the final column is but a theoretical rate. Accepting it as such, it attempts to portray the *tax burden*, as opposed to the *tax rate*—in other words, it assumes that all property in all cities is assessed by the same assessor and according to a uniform system. While taxes and tax rates are generally considered to be high, they would be lower if all property today were assessed uniformly upon a 100 per cent basis of cash value. The final column attempts to arrive at what the rate would be if this latter condition existed.

An initial inquiry as to comparative rates for even a few cities discloses that factors too numerous to mention enter to qualify the data. With but a single line of data for each city, it is not possible to indicate these factors, although the important ones are referred to in the footnotes. A detailed analysis of taxes could be had only by referring to *Financial Statistics of Cities* compiled annually by the census bureau, or by local reports of the cities.

So long as a single parcel of property in a city pays tax rates for more than one governmental unit, difficulties will be experienced in attempting a comparison of that city's rates with other cities. Some cities have a varying basis of assessment for the different governmental units, some have varying tax rates for different classes of property within the city, some have a consolidated rate, with only an estimated basis for distribution between the units; there is a variation in the distribution of certain services as between the several units—debt service, library, or other services, for example, may be included with the city in one case with other units in another; some cities have specific levies not found in other cases, such as port, flood prevention, township, and other special district taxes; the variation in fiscal year of the governmental units involves rates for different periods, etc.

TAX RATES NOT A TEST OF ECONOMY

One conclusion may be drawn—a study of the comparative tax rates on real and personal property does not afford an ultimate test as to the effectiveness or economy of any city. It must omit consideration of other sources of municipal revenue, a separation of sources as between the state and local government, tendency to keep down taxes by accruing deficits, the extent of pay-as-you-go policy, etc. Such a single test cannot be found, but rather several yardsticks must be applied, involving the budget, assessing, borrowing, and expenditure policies.

The table is probably justified, even in the face of modifying factors. The demand continues for comparative tax rate data for the information they afford. After all, most cities present no special problems. The importance of the general property tax, which, according to the latest census report of cities, comprises two-thirds of the revenue of cities over 30,000, merits some analysis of the rate of such tax. Further, a comparison one year with another is a reasonable basis for indicating the trend of the tax burden.

RANGES AND AVERAGES

The total tax rate column shows a range from $78.14 for St. Petersburg to $18.00 for Lancaster. For the Canadian cities, the range is from $36.75 for Calgary to $27.36 for Regina. The average for all cities is $35.04. The average for 185 cities in 1930, in the comparable column "Adjusted tax rate," was $33.94. The increase of $1.10 is due primarily to the influence of the larger number of cities reporting in 1931 and ignores the factor of uniformity in assessing practice.

Of more significance are the comparative rates of 177 cities reporting in both 1930 and 1931. The average rate for these cities in 1931 is $34.03, an increase of 10 cents over the $33.93 average of 1930. In 1930, an average increase of 56 cents over the 1929 figure was reported for 154 comparable cities. Thus, the present table evidences continuation of a trend toward additional taxes upon general property, as has been found in prior analyses. But the amount of annual increase is gradually becoming more moderate—as though perhaps approaching some indefinable, but nevertheless definite, maximum. Many public officials will say that that maximum is the point where delinquent taxes and consequent short-term loans are dictating retrenchment in public services and adherence to a policy of balancing the budget.

An attempt to give consideration to the varying degrees of applying the legal basis of assessing, is made in the column "Readjusted tax rate," in order to measure the tax burden. The actual burden of the tax is lower than the rate in direct proportion to the assessor's practice in applying valuations.

The range of the readjusted rates is from $46.70 for New Brunswick to $10.15 for Charleston, West Virginia. For the Canadian cities, the range is from $36.75 for Calgary to $25.20 for Toronto. The average for all cities is $25.03. For 185 cities reporting in 1930, this average was $24.72. The increase in average tax burden for 1931, therefore, is seen to be 31 cents, or a lesser amount than the increase in the actual tax rate.

For the 177 comparable cities, 1930 with 1931, the average rates upon the final readjusted basis were $24.86 and $25.44, respectively, or an increase for the current year of 58 cents. This figure for the comparable cities is more informative than that for all cities reporting in any one year. The increase is due in part to the tendency to report the assessing ratio more nearly at true value in a period of real estate inactivity.

ASSESSED VALUATIONS

Interesting evidence possibly accounting to some extent for the increase in the tax rates for this year, as well as a tendency to restrict the funds available for government purposes, is disclosed in a comparative analysis of assessed valuations for 1930 and 1931, an analysis made for the first time this year. Of 177 cities reporting for both years, it is found that 86 increased their 1931 total valuation $1,402 millions over 1930, 66 cities reduced a total of $1,181 millions, and 25 reported no change. The net increase, therefore, was $221 millions in the 177 cities, or an average of $1,200,000 for each city. In the Canadian cities alone, the valuations were increased this year $185 millions in 14 cities, while they were reduced $15 millions in one—a net total increase of $170 millions in 15 cities, or an average of $11,300,000 for each.

As more indicative of the trend of American cities, New York—because of its preponderant influence with 22 per cent of the total assessed valuation of all the cities in the tabulation, and with a $580 million increase for1931—and 15 Canadian cities were excluded from the foregoing analysis, and the result presents a different picture. Now, 71 cities are found to have increased their valuation a total of $638 millions, 65 cities reduced $1,166 millions, and 25 were unchanged. This shows that, in 1931, 161 cities had a net reduction of $528 millions in their valuation, or an average reduction of $3,100,000 for each city.

This analysis was extended to compare 1930 assessments with 1929. It was found that, of the first 75 comparable cities in census groups I, II and III —again excluding New York,—58 cities increased their valuation in 1930 a total of $1,090 millions, and 17 cities decreased $700 millions. For the 75 cities, therefore, the net increase was $390 millions, or an average increase of $5,200,000 for each city. The reversal from an average increase in 1930 to an average reduction in 1931 is further evidence that there is a new departure in the trend of assessed valuation.

In this connection, it may be recorded that the per capita range of assessed valuations in 1931 by the five census groups, I through V, was $2,152, $1,698, $1,482, $1,484, and $1,410, respectively, and for the Canadian cities was $1,786.

With a view to obtaining wider community judgment relative to the moot question of the ratio of assessed to true value, or other legal basis, actually applied by the assessing officer, inquiries were sent to real estate boards and chambers of commerce in twenty-five of the largest cities. Analysis of the replies was in many cases of a general nature, tending to confirm the ratio reported by our correspondent, and indicated usually that no exact study had been made on the subject.

Taxation continues to engage widespread official and popular attention, and is taking not only the form of enlarging the base and shifting the incidence, but also of effecting economy in governmental expenditures. This was the chief problem of 44 state legislatures this year, and is growing in importance in the programs of many types of citizen organizations. Progress is being made and will continue through coöperative and coördinated effort.

Questionnaires were sent to all cities over 30,000 population in the United States and Canada. The cordial and voluntary coöperation of the large number of public officials and citizen agencies who furnished the desired data has alone made the compilation possible, and is gratefully acknowledged in the hope that it may be continued for future tabulations.

COMPARATIVE TAX RATES OF 290 CITIES OVER 30,000 FOR 1931

Compiled by the Detroit Bureau of Governmental Research

From Data Furnished by Members of the Governmental Research Association, City Officials, and Chambers of Commerce

City	Census 1930	Assessed valuation	Per cent		City fiscal year begins	Date of collection of city tax	Tax rate per $1,000 of assessed valuation adjusted to uniform 100% basis of assessment					Estimated ratio of assessed value to legal basis (per cent)	Final readjusted tax rate	No.
			Realty	Personalty			City	School	County	State	Total			
Group I *Population 500,000 and over*														
1. New York, N. Y.[1]	6,930,446	$19,162,517,014	98	2	Jan. 1	May 1 Nov. 1	$21.62	$ 4.90	$ .68	$....	$27.20	90	$24.48	1
2. Chicago, Ill[2]	3,376,438	3,694,498,706	81	19	Jan. 1	May 15	31.80	20.40	5.40	3.90	61.50	37	22.76	2
3. Philadelphia, Pa.[3]	1,950,961	4,768,479,150	73	27	Jan. 1	Jan. 25	17.88	9.50	....	N	27.38	90	24.64	3
4. Detroit, Mich.	1,568,662	3,358,431,390	82	18	July 1	July 1	15.86	6.78	4.34	3.12	30.10	90	27.09	4
5. Los Angeles, Calif.[4]	1,238,048	1,765,443,825	92	8	July 1	Dec. 5	16.70	16.20	9.80	N	42.70	50	21.35	5
6. Cleveland, Ohio[5]	900,430	2,032,430,540	68	32	Jan. 1	Dec. 20 June 20	10.60	11.77	4.38	.40	27.15	80	21.72	6
7. St. Louis, Mo.	821,960	1,323,311,000	88	12	Apr. 8	Nov. 1	17.20	8.70	....	1.20	27.10	65	17.62	7
8. Baltimore, Md.[6]	804.874	2,225,091,796	50	50	Jan. 1	Jan. 1	18.52	5.98	....	2.50	27.00	90	24.30	8
9. Boston, Mass.	781,188	1,958,010,000	93	7	Jan. 1	Sept. 15	18.62	9.04	1.89	1.95	31.50	90	28.35	9
10. Pittsburgh, Pa.[7]	669,817	1,208,170,080	100	..	Jan. 1	Jan. 1	19.07	11.75	8.40	N	39.22	66	25.89	10
11. San Francisco, Calif.	634,394	1,203,343,640	58	42	July 1	Oct. 19 Jan. 12	30.75	9.65	....	N	40.40	38	15.35	11
12. Milwaukee, Wis.	578,249	1,016,238,245	87	13	Jan. 1	Dec. 15	14.61	11.40	5.90	1.02	32.93	73	24.03	12
13. Buffalo, N. Y.	573,076	1,120,181,005	100	..	July 1	July 1 Dec. 1	17.93	10.01	4.53	.23	32.70	80	26.16	13
Group II *Population 300,000 to 500,000*														
14. Washington, D. C.[8]	486,869	1,318,369,138	83	17	July 1	Mar. Sept.	11.00	6.00*	N	N	17.00	90	15.30	14
15. Minneapolis, Minn.[9]	464,356	330,248,748	86	14	Jan. 1	June 1 Nov. 1	15.09	8.56	2.70	2.15	28.50	80	22.80	15
16. New Orleans, La.[10]	458,762	626,478,167	72	28	Jan. 1	June 1	18.27	5.95	3.50	5.75	33.47	100	33.47	16
17. Cincinnati, Ohio	451,160	1,125,927,580	73	27	Jan. 1	Dec. June	9.10	7.95	4.65	.40	22.10	90	19.89	17
18. Newark, N. J.[11]	442,337	887,105.510	83	17	Jan. 1	June 1 Dec. 1	20.15	9.76	5.99	3.90	39.80	100	39.80	18
19. Kansas City, Mo.[12]	399,746	497,757,470	74	26	May 1	June 1	13.00	11.50	5.70	1.20	31.40	54	16.95	19
20. Seattle, Wash.[13]	365,583	311,364,697	81	19	Jan. 1	Feb. 2	18.39	6.75	8.42	5.08	38.64	80	30.91	20
21. Indianapolis, Ind.	364,161	691,336,210	67	33	Jan. 1	Jan. 1 July 1	11.35	10.10	3.45	2.90	27.80	80	22.24	21
22. Rochester, N. Y.	328,132	653,985,216	100	..	Jan. 1	Jan. 1 June 1	14.78	11.02	5.84	....	31.64	78	24.68	22
23. Jersey City, N. J.[11]	316,715	738,155,751	94	6	Jan. 1	June 1 Dec. 1	19.35	6.40	9.15	3.99	38.89	100	38.89	23
24. Louisville, Ky.[14]	307,745	429,850,524	86	14	Sept. 1	Jan. 20	17.20	6.80	4.00	3.00	31.00	80	24.80	24
25. Portland, Ore.[15]	301,815	349,718,800	88	12	Dec. 1	May 5 Nov. 5	21.80	18.11	5.49	4.40	49.80	54	26.89	25

COMPARATIVE TAX RATES OF 290 CITIES OVER 30,000 FOR 1931—*Continued*

City	Census 1930	Assessed valuation	Per cent		City fiscal year begins	Date of collection of city tax	Tax rate per $1,000 of assessed valuation adjusted to uniform 100% basis of assessment					Estimated ratio of assessed value to legal basis (per cent)	Final readjusted tax rate	No.
			Realty	Personalty			City	School	County	State	Total			
GROUP III *Population 100,000 to 300,000*														
26. Houston, Texas	292,352	$333,905,120	94	6	Jan. 1	Oct. 1	$19.60	$11.80	$9.90	$6.90	$48.20	50	$24.10	26
27. Toledo, Ohio	290,718	578,858,070	71	29	Jan. 1	Dec. 1 June 1	10.32	9.52	5.96	.20	26.00	80	20.80	27
28. Columbus, Ohio[16]	290,564	570,016,540	77	23	Jan. 1	Dec. 20 June 20	7.50	9.95	4.65	.40	22.50	100	22.50	28
29. Denver, Colo.	287,861	464,582,500	69	31	Jan. 1	Jan. 1	14.96	13.80	....	3.59	32.35	80	25.88	29
30. Oakland, Calif.[17]	284,063	272,947,321	87	13	July 1	Nov. 1 Apr. 1	24.40	15.72	17.88	N	58.00	50	29.00	30
31. St. Paul, Minn.[9]	271,606	181,645,116	83	17	Jan. 1	May 31 Oct. 31	11.92	7.60	5.35	2.15	27.02	80	21.62	31
32. Atlanta, Ga.[18]	270,366	410,000,000	74	26	Jan. 1	May July Oct.	8.40	6.60*	11.00	5.00	31.00	66	20.46	32
33. Dallas, Texas	260,475	288,800,000	72	28	Oct. 1	Sept. 1 Mar. 1	15.10	9.20	9.00	7.40	40.70	41	16.69	33
34. Birmingham, Ala.[19]	259,678	229,922,285	85	15	Sept. 1	Oct. 1	6.90	3.90	6.90	3.90	21.60	70	15.12	34
35. Akron, Ohio	255,040	432,053,220	71	29	Jan. 1	Dec. 20 June 20	10.83	13.05	4.02	.40	28.30	80	22.64	35
36. Memphis, Tenn.	253,143	303,805,511	89	11	Jan. 1	May 1	15.60	6.50	9.50	2.00	33.60	100	33.60	36
37. Providence, R. I.[20]	252,981	684,881,054	63	37	Oct. 1	Oct. 1	14.58	8.57*	N	1.35	24.50	75	18.38	37
38. San Antonio, Texas	231,542	255,218,880	78	22	June 1	Apr. 1	19.10	9.50	6.90	7.20	42.70	75	32.03	38
39. Omaha, Neb.	214,006	342,184,231	70	30	Jan. 1	May 1 July 1	12.15	14.00	4.06	2.04	32.25	60	19.35	39
40. Syracuse, N. Y.	209,326	388,786,603	100	..	Jan. 1	May 1	15.47	10.08	5.90	.25	31.70	80	25.36	40
41. Dayton, Ohio	200,982	401,263,260	78	22	Jan. 1	Dec. June	10.36	10.93	3.51	.40	25.20	80	20.16	41
42. Worcester, Mass.	195,311	345,536,400	90	10	Dec. 1	Oct. 10	28.85	2.61	.45	.29	32.20	86	27.69	42
43. Oklahoma City, Okla.	185,389	151,062,990	80	20	July 1	Jan. 1	17.08	19.52	6.61	3.50	46.71	45	21.02	43
44. Richmond, Va.[21]	182,929	274,308,654	100	..	Feb. 1	June Nov.	16.00	7.50	N	N	23.50	57	13.43	44
45. Youngstown, Ohio	170,002	383,143,060	78	22	Jan. 1	Dec. 20 June 20	8.05	9.77	3.38	.40	21.60	85	18.36	45
46. Grand Rapids, Mich.	168,592	265,142,917	79	21	Apr. 1	July 1	13.83	11.49	3.88	3.79	32.99	85	28.03	46
47. Hartford, Conn.	164,072	387,377,854	87	13	Apr. 1	July 1	14.03	11.90	.44	.65	27.02	80	21.62	47
48. Fort Worth, Texas	163,447	187,458,679	75	25	Oct. 1	Oct. 1	18.50	10.00	8.80	6.90	44.20	55	24.31	48
49. New Haven, Conn.	162,655	338,040,530	86	14	Jan. 1	Mar. 1 Sept. 1	14.50	10.00	1.00	....	25.50	90	22.95	49
50. Flint, Mich.	156,492	221,355,590	82	18	July 1	July 1	12.10	14.70	6.34	4.41	37.55	80	30.04	50
51. Nashville, Tenn.	153,866	181,541,304	80	20	Jan. 1	Aug.	18.50	3.50	7.00	....	29.00	75	21.75	51
52. Springfield, Mass.	149,900	309,887,160	91	9	Dec. 1	Nov. 1	15.74	9.89*	1.80	1.17	28.60	100	28.60	52
53. San Diego, Calif.	147,995	143,018,540	93	7	July 1	Nov. 2 Jan. 20	21.70	12.40	21.50	N	55.60	40	22.24	53
54. Bridgeport, Conn.	147,716	270,613,125	80	20	Apr. 1	Apr. 1 Sept. 1	19.46	8.93	.27	.84	29.50	80	23.60	54

COMPARATIVE TAX RATES OF 290 CITIES OVER 30,000 FOR 1931—*Continued*

City	Census 1930	Assessed valuation	Per cent		City fiscal year begins	Date of collection of city tax	Tax rate per $1,000 of assessed valuation adjusted to uniform 100% basis of assessment					Estimated ratio of assessed value to legal basis (per cent)	Final readjusted tax rate	No.
			Realty	Personalty			City	School	County	State	Total			
GROUP III—*Continued* *Population 100,000 to 300,000*														
55. Scranton, Pa.[7]	143,433	$126,820,705	100	0	Jan. 1	Feb. 4	$17.58	$21.00	$10.75	N	$49.33	50	$24.67	55
56. Des Moines, Ia.[22]	142,559	190,323,460	85	15	Apr. 1	Mar. Sept.	15.18	15.82	6.85	2.75	40.60	65	26.39	56
57. Long Beach, Calif.	142,032	213,904,205	86	14	July 1	Oct. 12 Jan. 4	15.50	19.00	9.80	N	44.30	50	22.15	57
58. Tulsa, Okla.	141,258	149,769,145	85	15	July 1	Jan. 1	20.93	19.57	8.37	3.50	52.37	60	31.42	58
59. Salt Lake City, Utah	140,267	174,264,796	73	27	Jan. 1	Sept. 21	12.10	10.50	5.90	8.20	36.70	60	22.02	59
60. Paterson, N. J.	138,513	211,588,247	87	13	Jan. 1	Apr. 1 Dec. 1	17.04	13.75	6.43	1.18	38.40	65	24.96	60
61. Yonkers, N. Y.	134,646	357,663,160	96	4	Jan. 1	Feb. 1 July 15	16.38	9.81	4.70	....	30.89	86	26.57	61
62. Norfolk, Va.[23]	129,710	177,496,206	90	10	Jan. 1	July Nov.	28.50	....	N	N	28.50	58	16.53	62
63. Jacksonville, Fla.	129,549	101,706,880	86	14	Jan. 1	Nov. 1	21.80	22.00	8.50	14.00	66.30	60	39.78	63
64. Albany, N. Y.[24]	127,413	242,359,257	99	1	Jan. 1	Jan. 1	28.97	....	6.27	.24	35.48	70	24.84	64
65. Trenton, N. J.[11]	123,356	204,891,454	90	10	Jan. 1	May 1 Nov. 1	20.34	7.78	5.84	3.93	37.89	80	30.31	65
66. Kansas City, Kans.	121,857	134,812,093	80	20	Jan. 1	Nov. 1	12.65	15.89	5.63	2.00	36.17	60	21.70	66
67. Chattanooga, Tenn.[24]	119,798	141,477,322*	91	9	Oct. 1	Oct. 1	18.60	....	13.60	....	32.20	70	22.54	67
68. Camden, N. J.	118,700	216,132,075	87	13	Jan. 1	June 1 Dec. 1	12.00	12.76	5.70	1.14	31.60	100	31.60	68
69. Erie, Pa.	115,967	157,785,395	96	4	Jan. 4	Apr. 1	13.80	14.00	7.00	N	34.80	64	22.26	69
70. Spokane, Wash.[25]	115,514	89,048,225	75	25	Jan. 1	May 31 Nov. 30	10.68	6.80	5.73	5.47	28.68	86	24.66	70
71. Fall River, Mass.	115,274	123,333,400	79	21	Jan. 1	Oct. 1	23.17	13.90*	1.56	1.37	40.00	68	27.20	71
72. Fort Wayne, Ind.	114,946	232,539,810	70	30	Jan. 1	May 2 Nov. 2	7.50	8.36	5.04	2.90	23.80	80	19.04	72
73. Elizabeth, N. J.[11]	114,589	166,699,705	90	10	Jan. 1	June 1 Dec. 1	15.28	9.86	5.97	3.89	35.00	100	35.00	73
74. Cambridge, Mass.	113,643	191,944,400	91	9	Apr. 1	Oct. 15	24.75	5.59	1.36	2.20	33.90	100	33.90	74
75. New Bedford, Mass.	112,597	151,256,150	79	21	Dec. 1	Oct. 15	23.87	8.26	1.02	.85	34.00	90	30.60	75
76. Reading, Pa.	111,171	171,500,000	100	..	Jan. 4	Mar. 1	10.00	12.00	4.00	N	26.00	67	17.33	76
77. Wichita, Kans.	111,110	147,761,845	78	22	Jan. 1	Dec. 20 June 20	10.38	18.90	4.22	2.00	35.50	70	24.85	77
78. Miami, Fla.	110,637	168,915,207	96	4	July 1	Nov. 1	20.25	10.51	4.76	1.32	36.84	50	18.42	78
79. Tacoma, Wash.[25]	106,817	67,096,684	76	24	Jah. 1	Feb.	14.74	7.45	11.76	5.88	39.83	100	39.83	79
80. Wilmington, Del.[26]	106,597	154,608,600	100	0	July 1	July 1	15.80	2.20	8.00	N	26.00	75	19.50	80
81. Knoxville, Tenn.	105,802	140,492,500	92	8	Oct. 1	Apr. 1 July 1 Oct. 1 Dec. 31	19.00	4.50	11.40	....	34.90	85	29.67	81
82. Peoria, Ill.	104,969	93,611,153	90	10	Jan. 1	Dec. 1	20.27	16.00	4.13	3.90	44.30	50	22.15	82
83. Canton, Ohio	104,906	242,989,310	67	33	Jan. 1	Dec. 20 June 20	6.63	10.35	4.02	.40	21.40	100	21.40	83

COMPARATIVE TAX RATES OF 290 CITIES OVER 30,000 FOR 1931—*Continued*

City	Census 1930	Assessed valuation	Per cent		City fiscal year begins	Date of collection of city tax	Tax rate per $1,000 of assessed valuation adjusted to uniform 100% basis of assessment					Estimated ratio of assessed value to legal basis (per cent)	Final readjusted tax rate	No.
			Realty	Personalty			City	School	County	State	Total			
Group III—*Continued* *Population 100,000 to 300,000*														
84. South Bend, Ind.	104,193	$204,678,940	66	34	Jan. 1	May Nov.	$7.85	$10.75	$4.40	$2.90	$25.90	50	$12.95	84
85. Somerville, Mass.	103,908	123,051,300	94	6	Jan. 1	Oct. 15	17.56	9.87*	2.05	1.12	30.60	100	30.60	85
86. El Paso, Texas	102,421	112,746,350	79	21	Mar. 1	Dec. 15	12.60	9.40	10.50	6.90	39.40	66	26.00	86
87. Lynn, Mass.	102,320	140,896,645	88	12	Jan. 1	Nov. 1	17.03	9.17	1.65	2.15	30.00	100	30.00	87
88. Evansville, Ind.	102,249	137,877,690	70	30	Jan. 1	May 1 Nov. 1	11.30	10.00	7.00	2.90	31.20	100	31.20	88
89. Utica, N. Y.	101,740	137,919,685	99	1	Jan. 1	Aug. 10	21.34	9.70	8.14	....	39.18	65	25.47	89
90. Duluth, Minn.[9]	101,463	78,657,975	77	23	Jan. 1	Jan. 1	9.71	12.27	5.09	2.14	29.21	100	29.21	90
91. Tampa, Fla.	101,161	122,349,057	92	8	June 1	Oct. 1	17.50	4.40	5.20	2.80	29.90	50	14.95	91
92. Gary, Ind.	100,426	178,196,820	60	40	Jan. 1	May 4 Nov. 2	9.70	14.60	7.00	2.90	34.20	75	25.65	92
93. Lowell, Mass.	100,234	128,249,769	87	13	Jan. 1	Oct. 15	22.58	8.23	1.54	1.05	33.40	100	33.40	93
Group IV *Population 50,000 to 100,000*														
94. Waterbury, Conn.	99,902	171,817,495	77	23	Jan. 1	May 1 Oct. 1	23.40	10.47	.44	.69	35.00	80	28.00	94
95. Schenectady, N. Y.	95,692	201,595,325	100	..	Jan. 1	Jan. July	14.52	7.82*	3.21	.23	25.78	100	25.78	95
96. Sacramento, Calif.	93,750	107,671,790	88	12	Jan. 1	Nov. 1	20.50	23.65	11.77	N	55.92	72	40.26	96
97. Allentown, Pa.	92,563	104,685,325	100	..	Jan. 4	Mar. 1	12.40	14.00	4.00	N	30.40	50	15.20	97
98. Bayonne, N. J.	88,979	(Not reporting)												98
99. Wilkes-Barre, Pa.	86,628	101,901,692	100	..	Jan. 1	Apr.	16.00	16.50	8.27	.40	41.17	60	24.70	99
100. Rockford, Ill.	85,864	85,556,621	67	33	Jan. 1	Mar. 1	16.90	20.00	8.00	4.20	49.10	30	14.73	100
101. Lawrence, Mass.	85,068	119,270,325	75	25	Jan. 1	Oct. 1	17.36	9.89	1.93	1.22	30.40	100	30.40	101
102. Savannah, Ga.	85,024	77,675,466	50	50	Jan. 1	Apr. July Oct.	23.00	10.00	12.50	5.00	50.50	50	25.25	102
103. Charlotte, N. C.	82,675	(Not reporting)												103
104. Berkeley, Calif.	82,109	91,461,915	94	6	June 30	Oct. 19	15.90	15.42	21.38	N	52.70	55	28.99	104
105. Altoona, Pa.	82,054	86,836,035	100	..	Jan. 5	Mar. 1	8.50	14.00	7.50	N	30.00	64	19.20	105
106. Little Rock, Ark.[27]	81,679	61,765,653	81	19	Jan. 1	Jan. 18	4.78	9.00	3.50	3.95	21.13	70	14.86	106
107. St. Joseph, Mo.	80,935	79,472,170	75	25	Apr. 20	May 1	12.50	12.25	7.05	1.20	33.00	70	23.10	107
108. Saginaw, Mich.	80,715	96,163,907	83	17	July 1	July 1	18.17	14.36	8.19	4.05	44.77	100	44.77	108
109. Harrisburg, Pa.	80,339	90,145,355	50	50	Jan. 4	Mar. 1	16.00	19.00	6.00	N	41.00	50	20.50	109
110. Sioux City, Ia.[22]	79,183	103,129,024	83	17	Apr. 1	Mar. Sept.	12.07	17.47	9.35	4.24	43.13	60	25.88	110
111. Lansing, Mich.	78,397	141,150,572	79	21	May 1	July 17	11.35	8.51	3.36	3.63	26.85	70	18.80	111
112. Pawtucket, R. I.	77,149	155,275,640	71	29	Jan. 1	Oct. 1	13.63	6.14*	N	1.23	21.00	100	21.00	112
113. Manchester, N. H.	76,834	106,151,932	88	12	Jan. 1	Apr. 1	18.44	4.26	2.70	2.60	28.00	100	28.00	113
114. Binghamton, N. Y.	76,662	127,858,488	99	1	Jan. 1	Jan. 1	16.55	10.57	5.98	....	33.10	88	29.13	114
115. Shreveport, La.	76,655	118,427,830	68	32	Jan. 1	Nov. 1	11.50	8.25	6.35	5.75	31.85	60	19.11	115
116. Pasadena, Calif.	76,086	185,594,455	87	13	July 1	Oct. 7	12.30	20.80	9.80	N	42.90	75	32.18	116

COMPARATIVE TAX RATES OF 290 CITIES OVER 30,000 FOR 1931—*Continued*

City	Census 1930	Assessed valuation	Per cent		City fiscal year begins	Date of collection of city tax	Tax rate per $1,000 of assessed valuation adjusted to uniform 100% basis of assessment					Estimated ratio of assessed value to legal basis (per cent)	Final readjusted tax rate	No.
			Realty	Personalty			City	School	County	State	Total			
GROUP IV—*Continued* *Population 50,000 to 100,000*														
117. Lincoln, Nebr.	75,933	$125,758,355	79	21	Sept. 1	Oct. 1	$ 7.60	$15.00	$ 2.90	$2.04	$27.54	75	$20.65	117
118. Huntington, W. Va.	75,572	(Not reporting)												118
119. Niagara Falls, N. Y.	75,460	146,370,049	100	..	Jan. 1	June Nov.	13.32	11.60	7.53	N	32.45	72	23.36	119
120. Winston-Salem, N. C.	75,274	146,995,436	59	41	July 1	Mar. 1	8.60	4.40	6.00	N	19.00	60	11.40	120
121. East St. Louis, Ill.	74,347	51,459,368	67	33	Jan. 1	Jan. 1	23.45	25.00	4.80	3.90	57.15	25	14.29	121
122. Troy, N. Y.	72,763	72,325,408	95	5	Jan. 1	Jan. 1 July 1	25.58	9.97	11.19	N	46.74	90	42.07	122
123. Quincy, Mass.	71,983	(Not reporting)												123
124. Springfield, Ill.	71,864	" "												124
125. Portland, Me.	70,810	113,365,625	78	22	Jan. 1	Aug. 1	18.59	7.24	1.60	6.17	33.60	67	22.40	125
126. Lakewood, Ohio	70,509	151,008,120	89	11	Jan. 1	Dec. 20 June 20	7.65	12.21	4.64	.40	24.90	85	21.17	126
127. Roanoke, Va.	69,206	71,182,893	84	16	Jan. 1	Nov. 1	17.50	7.50	N	N	25.00	50	12.50	127
128. Springfield, Ohio	68,743	121,514,410	69	31	Jan. 1	Dec. 20 June 20	5.72	9.55	3.33	.40	19.00	100	19.00	128
129. Mobile, Ala.	68,202	66,000,000	75	25	Oct. 1	Dec. 1	6.60	7.20	6.90	2.10	22.80	60	13.68	129
130. New Britain, Conn.	68,128	116,801,349	80	20	Apr. 1	July 1	16.02	10.06	.92	....	27.00	85	22.95	130
131. East Orange, N. J.[11]	68,020	130,418,244	93	7	Jan. 1	June 1 Dec. 1	16.12	8.12	5.90	3.86	34.00	70	23.80	131
132. Racine, Wis.	67,542	114,895,945	85	15	Jan. 1	Jan. Feb.	6.50	11.43	3.84	1.16	22.93	70	16.05	132
133. Johnstown, Pa.	66,993	85,616,200	93	7	Jan. 4	Mar. 1	14.00	17.00	8.00	N	39.00	65	25.35	133
134. Cicero, Ill.	66,602	(Not reporting)												134
135. Atlantic City, N. J.[11]	66,198	247,046,074	96	4	Jan. 1	June 1 Dec. 1	19.08	4.62	5.13	4.53	33.36	90	30.02	135
136. Montgomery, Ala.	66,079	45,575,161	63	27	July 1	Oct. 1	7.50	5.40	2.70	3.90	19.50	70	13.65	136
137. Newton, Mass.	65,276	165,129,600	89	11	Jan. 1	Nov. 1	14.36	8.25	1.60	2.39	26.60	100	26.60	137
138. Covington, Ky.	65,252	59,091,351	88	12	Jan. 1	June Oct.	13.80	11.00	6.20	3.00	34.00	60	20.40	138
139. Pontiac, Mich.	64,928	102,227,975	85	15	Jan. 1	July 1	15.40	13.60	10.97	5.21	45.18	90	40.66	139
140. Hammond, Ind.	64,560	104,788,950	65	35	Jan. 1	May 1 Nov. 1	10.70	13.20	7.10	2.90	33.90	60	20.34	140
141. Topeka, Kans.	64,120	94,333,347	77	23	Jan. 1	Nov. 1	13.03	15.50	3.57	2.00	34.10	60	20.46	141
142. Oak Park, Ill.	63,982	75,056,200	86	14	Jan. 1	Apr. 1	9.90	27.70	12.50	4.80	54.90	37	20.31	142
143. Brockton, Mass.	63,797	79,278,450	88	12	Dec. 1	Oct. 15 Nov. 1	23.88	8.43	1.56	.83	34.70	80	27.76	143
144. Evanston, Ill.[28]	63,338	86,836,008	87	13	Jan. 1	Mar. 10	18.30	25.50	5.70	3.90	53.40	37	19.75	144
145. Passaic, N. J.[11]	62,959	100,548,039	84	16	Jan. 1	June 1 Dec. 1	24.44	12.36	6.31	4.19	47.30	70	33.11	145
146. Terre Haute, Ind.	62,810	76,391,970	70	30	Jan. 1	May 4 Nov. 2	13.09	18.13	7.88	2.90	42.00	75	31.50	146
147. Glendale, Calif.	62,736	78,944,180	87	13	July 1	Nov. 1 Jan. 20	13.50	21.10	9.80	N	44.40	50	22.20	147

COMPARATIVE TAX RATES OF 290 CITIES OVER 30,000 FOR 1931—*Continued*

City	Census 1930	Assessed valuation	Per cent		City fiscal year begins	Date of collection of city tax	Tax rate per $1,000 of assessed valuation adjusted to uniform 100% basis of assessment					Estimated ratio of assessed value to legal basis (per cent)	Final readjusted tax rate	No.
			Realty	Personalty			City	School	County	State	Total			
Group IV—*Continued* *Population 50,000 to 100,000*														
148. Charleston, S. C.	62,265	$ 23,320,131	74	26	Jan. 1	May 15 July 15 Oct. 15	$25.83	$ 6.83	$10.92	$....	$43.58	58	$25.28	148
149. Wheeling, W. Va.	61,659	96,080,099	77	23	July 1	Nov. 1	9.27	11.65	7.20	1.90	30.02	60	18.01	149
150. Mount Vernon, N. Y.	61,499	165,445,581	97	3	Jan. 1	Jan. 1 July 1	13.37	11.85	4.37	.21	29.80	80	23.84	150
151. Davenport, Ia.[22]	60,751	33,301,220	90	10	Apr. 1	Sept.	13.50	13.94	5.11	2.75	35.30	55	19.36	151
152. Charleston, W. Va.	60,408	103,955,371	89	11	June 30	Nov. 1 May 1	6.10	6.80	5.50	1.90	20.30	50	10.15	152
153. Augusta, Ga.	60,342	53,597,705	72	28	Jan. 1	Apr. 1	20.00	12.55	8.50	5.00	46.05	67	30.70	153
154. Lancaster, Pa.	59,949	108,586,700	100	..	Jan. 5	Apr. 30	5.00	10.00	3.00	N	18.00	100	18.00	154
155. Medford, Mass.	59,714	81,394,550	96	4	Jan. 1	Nov. 1	17.19	9.49*	1.45	2.67	30.80	100	30.80	155
156. Hoboken, N. J.	59,261	103,532,105	92	8	Jan. 1	June 1 Dec. 1	22.37	12.81*	8.93	3.91	48.02	75	36.01	156
157. Chester, Pa.	59,164	70,769,156	100	..	Jan. 5	Mar. 1	11.50	11.00	4.11	N	26.61	66	17.60	157
158. Union City, N. J.	58,659	(Not reporting)												158
159. Malden, Mass.	58,036	72,049,750	90	10	Jan. 1	Oct. 15	21.05	8.36	4.59	....	34.00	90	31.60	159
160. Madison, Wis.	57,899	146,378,070	92	8	Jan. 1	Feb. 20	6.70	10.15	5.52	1.13	23.50	85	19.98	160
161. Bethlehem, Pa.	57,892	73,388,665	91	9	Jan. 1	Mar. 1	12.00	12.50	7.00	N	31.50	90	28.35	161
162. Beaumont, Texas	57,732	69,792,690	81	19	July 1	Nov. 1	16.00	9.50	10.30	6.90	42.70	60	25.62	162
163. San Jose, Calif.	57,651	44,805,465	85	15	Dec. 1	Oct.	16.50	29.68	11.62	N	57.80	40	23.12	163
164. Springfield, Mo.	57,527	44,406,785	75	25	July 1	Sept. 1	14.60	15.80	5.70	1.20	37.30	70	26.11	164
165. Decatur, Ill.	57,510	35,000,000	82	18	May 1	Feb. 1 Aug. 1	23.10	20.00	4.20	3.90	51.20	40	20.48	165
166. Irvington, N. J.	56,733	77,763,574	89	11	Jan. 1	June 1 Dec. 1	13.50	13.70	5.64	4.36	37.20	100	37.20	166
167. Holyoke, Mass.	56,537	106,856,040	84	16	Dec. 1	Oct. 15	16.19	6.11*	1.88	1.02	25.20	100	25.20	167
168. Hamtramck, Mich.	56,268	113,403,060	72	28	July 1	July 15	15.40	9.50	3.79	3.16	31.85	100	31.85	168
169. Cedar Rapids, Ia.	56,097	79,299,783	79	21	Apr. 1	Jan. 1	13.43	18.92	6.60	2.75	41.70	60	25.02	169
170. York, Pa.	55,254	56,753,745	96	4	Jan. 1	Mar. 1	8.50	16.00	8.00	N	32.50	60	19.50	170
171. Jackson, Mich.	55,187	88,901,360	80	20	July 1	July 1	9.92	9.89	6.47	3.98	30.26	75	22.70	171
172. Kalamazoo, Mich.	54,786	81,757,705	75	25	Jan. 1	July 1	11.00	14.90	5.28	4.02	35.20	100	35.20	172
173. East Chicago, Ind.	54,784	92,418,325	..	..	Jan. 1	May Nov.	10.70	10.50	4.10	2.50	27.80	37	10.29	173
174. McKeesport, Pa.	54,632	54,535,950	98	2	Jan. 5	Mar. 1	13.00	16.50	9.88	N	39.38	55	21.66	174
175. New Rochelle, N. Y.	54,000	196,079,848	99	1	Jan. 1	Apr. 1 Sept. 1	15.75	8.31	4.17	.17	28.40	100	28.40	175
176. Macon, Ga.	53,829	42,757,082	80	20	Jan. 1	Apr. 15 Aug. 15 Dec. 15	15.00	8.43*	9.57	5.00	38.00	60	22.80	176
177. Greensboro, N. C.	53,659	107,000,000	80	20	July 1	Sept. 1	9.20	3.50	8.50	N	21.20	70	14.84	177
178. Austin, Texas	53,120	53,047,550	78	22	Jan. 1	Jan. 1	16.50	6.00	8.50	6.80	37.80	67	25.20	178
179. Highland Park, Mich.	52,959	114,895,950	81	19	July 1	July 1	10.40	11.40	4.13	3.12	29.05	80	23.24	179
180. Galveston, Texas	52,938	60,383,699	79	21	July 1	Sept. 1	20.40	6.00	11.00	7.40	44.80	60	26.88	180

COMPARATIVE TAX RATES OF 290 CITIES OVER 30,000 FOR 1931—*Continued*

City	Census 1930	Assessed valuation	Per cent		City fiscal year begins	Date of collection of city tax	Tax rate per $1,000 of assessed valuation adjusted to uniform 100% basis of assessment					Estimated ratio of assessed value to legal basis (per cent)	Final readjusted tax rate	No.
			Realty	Personalty			City	School	County	State	Total			
GROUP IV—*Continued* *Population 50,000 to 100,000*														
181. Waco, Texas	52,848	$61,795,940	76	24	Oct. 1	Oct. 1	$17.50	$ 6.60	$ 9.60	$7.40	$41.10	75	$30.83	181
182. Fresno, Calif.	52,513	50,796,370	85	15	July 1	Nov. Jan.	23.66	16.60	19.50	N	59.76	50	29.88	182
183. Hamilton, Ohio	52,176	98,518,260	75	25	Jan. 1	June 20 Dec. 20	8.97	8.61	3.81	.40	21.79	100	21.79	183
184. Durham, N. C.	52,037	(Not reporting)												184
185. Columbia, S. C.[30]	51,581	21,000,000	67	33	Jan. 1	Oct. 15 Dec. 15	15.65	12.81	4.31	2.10	34.87	58	20.22	185
186. Cleveland Hts., Ohio	50,945	161,620,390	85	15	Jan. 1	June Dec.	6.86	13.50	4.64	.40	25.40	60	15.24	186
187. Port Arthur, Texas	50,902	(Not reporting)												187
188. Dearborn, Mich.	50,358	237,214,998	65	35	July 1	July 15 Dec. 30	10.31	10.21	4.14	3.12	27.78	100	27.78	188
189. Kenosha, Wis.	50,262	78,022,880	72	28	Jan. 1	Jan. 1	10.00	12.06	5.61	1.33	29.00	60	17.40	189
190. Asheville, N. C.	50,193	(Not reporting)												190
191. Pueblo, Colo.	50,096	39,735,405	70	30	Jan. 1	Mar. Aug.	23.50	14.60	8.95	3.59	50.64	33	16.88	191
GROUP V *Population 30,000 to 50,000*														
192. Pittsfield, Mass.	49,677	59,492,065	90	10	Apr. 1	Nov. 1	24.11	8.69*	2.90	1.50	37.20	65	24.18	192
193. Woonsocket, R. I.	49,376	95,858,450	73	27	Jan. 1	Oct. 10	20.14	4.86	N	1.76	26.76	100	26.76	193
194. Haverhill, Mass.	48,710	63,509,675	88	12	Jan. 1	Sept. 15	20.56	7.75	1.29	.80	30.40	100	30.40	194
195. New Castle, Pa.	48,674	57,988,550	94	6	Jan. 4	Aug. 1	12.00	16.00	9.00	N	37.00	67	24.67	195
196. Everett, Mass.	48,424	76,347,675	84	16	Jan. 1	Nov. 1	15.91	10.92	1.73	4.34	32.90	75	24.68	196
197. Jackson, Miss.	48,282	47,099,499	70	30	Oct. 1	Nov. 1	18.50	5.50		incomplete		70		197
198. Phoenix, Ariz.[31]	48,118	86,792,285	92	8	July 1	Oct. 13 Apr. 7	12.20	7.40	18.10	9.50	47.20	80	37.76	198
199. Stockton, Calif.	47,963	(Not reporting)												199
200. Brookline, Mass.	47,490	170,305,100	90	10	Jan. 1	Oct. 15	13.24	3.78	.75	2.13	19.90	100	19.90	200
201. Elmira, N. Y.	47,397	51,405,420	91	9	Jan. 1	July 1	17.94	10.43	11.17	....	39.54	61	24.12	201
202. Bay City, Mich.	47,355	47,661,268	83	17	July 1	Aug. 1	14.18	18.20	4.92	5.00	42.30	85	35.96	202
203. Berwyn, Ill.	47,027	(Not reporting)												203
204. Clifton, N. J.	46,875	48,214,931	88	12	Jan. 1	June 1 Dec. 1	18.07	14.94	6.42	4.07	43.50	100	43.50	204
205. Aurora, Ill.	46,589	(Not reporting)												205
206. Muncie, Ind.	46,548	64,031,780	75	25	Jan. 1	May 4 Nov. 2	8.30*	11.20*	6.30	2.90	28.70	70	20.09	206
207. Stamford, Conn.	46,346	(Not reporting)												207
208. Waterloo, Ia.	46,191	30,052,012	85	15	Apr. 1	Jan. Sept.	17.83	23.66	5.82	2.75	50.06	45	22.53	208
209. Chelsea, Mass.	45,816	55,120,400	89	11	Jan. 1	Apr. 1	28.18	9.41	N	3.61	41.20	100	41.20	209
210. Lexington, Ky.	45,736	62,967,225	74	36	Jan. 1	June 1	18.40	7.80	5.00	5.00	36.20	80	28.96	210
211. Williamsport, Pa.	45,729	39,357,945	100	..	Jan. 4	Mar. 1	15.50	18.00	8.50	N	42.00	70	29.40	211

COMPARATIVE TAX RATES OF 293 CITIES OVER 30,000 FOR 1931—*Continued*

City	Census 1930	Assessed valuation	Per cent		City fiscal year begins	Date of collection of city tax	Tax rate per $1,000 of assessed valuation adjusted to uniform 100% basis of assessment					Estimated ratio of assessed value to legal basis (per cent)	Final readjusted tax rate	No.
			Realty	Personalty			City	School	County	State	Total			
GROUP V—*Continued* *Population 30,000 to 50,000*														
212. Portsmouth, Va.	45,704	$33,876,796	96	4	Jan. 1	Nov.	$17.22	$ 9.28*	N	N	$26.50	70	$18.55	212
213. Jamestown, N. Y.	45,155	65,372,919	100	..	Jan. 1	July 1	13.87	11.25	$8.05	....	33.17	75	24.88	213
214. Lorain, Oho	44,512	88,401,080	72	28	Jan. 1	Dec. 20	8.32	8.23	3.40	$3.05	23.00	85	19.55	214
215. Chicopee, Mass.	43,930	47,139,720	86	14	Dec. 1	Oct. 1	22.13	13.79	2.23	1.35	39.50	80	31.60	215
216. Wichita Falls, Texas	43,690	71,640,366	74	26	Apr. 1	Oct. 1	21.00	10.00	7.50	6.90	45.40	58	26.33	216
217. Battle Creek, Mich.	43,573	67,514,950	81	19	July 1	July 10	10.00	13.60	5.80	4.40	33.80	100	33.80	217
218. Perth Amboy, N. J.	43,516	52,478,123	87	13	Jan. 1	June 1 Dec. 1	22.76	14.49	10.37	2.78	50.40	50	25.20	218
219. Salem, Mass.	43,353	58,368,850	83	17	Jan. 1	Sept. 1	18.59	8.98	1.69	1.04	30.30	100	30.30	219
220. Amarillo, Texas	43,132	61,520,620	82	18	Apr. 15	Oct. 1	10.00	11.50	7.50	7.40	36.40	55	20.14	220
221. Columbus, Ga.[24]	43,131	43,159,694	67	33	Jan. 1	Aug. 1	18.00	....	8.50	5.00	31.50	67	21.00	221
222. Joliet, Ill.	42,993	(Not reporting)												222
223. Cranston, R. I.	42,911	(Not reporting)												223
224. Portsmouth, Ohio	42,560	75,327,430	73	27	Jan. 1	Dec. 20 June 20	7.05	8.30	4.80	3.05	23.20	100	23.20	224
225. Lima, Ohio	42,287	75,430,150	77	23	Jan. 1	Dec. 20 June 20	9.60	9.70	4.30	.40	24.00	100	24.00	225
226. Council Bluffs, Ia.	42,048	34,555,452	66	34	Apr. 1	Jan. 1	21.88	23.80	5.67	2.75	54.10	60	32.46	226
227. Montclair, N. J.	42,017	112,306,000	90	10	Jan. 1	June 1 Dec. 1	15.90	9.60	8.17	1.63	35.30	100	35.30	227
228. Dubuque, Ia.	41,679	47,943,796	78	22	Apr. 1	Jan. 1	14.62	12.25	6.08	2.75	35.70	75	26.78	228
229. Muskegon, Mich.	41,390	66,190,560	74	26	Jan. 1	Dec. 1	13.32	13.21	6.50	3.27	36.30	90	32.67	229
230. Warren, Ohio	41,062	78,761,500	75	25	Jan. 1	Dec. 20 June 20	7.47	10.35	4.08	.40	22.30	75	16.73	230
231. Kearny, N. J.	40,716	80,112,504	84	16	Jan. 1	June 1 Dec. 1	12.61	7.30	9.98	4.32	34.21	60	20.53	231
232. Fitchburg, Mass.	40,692	57,750,650	80	20	Nov. 30	Oct. 15	16.35	9.64	1.75	1.46	29.20	100	29.20	232
233. Lynchburg, Va.	40,661	46,384,500	93	7	Jan. 1	Sept. 15	13.50	10.00	N	N	23.50	60	14.10	233
234. St. Petersburg, Fla.	40,425	127,552,726	81	19	Oct. 1	Oct. 1	16.26	29.50	27.50	4.88	78.14	36	28.13	234
235. Poughkeepsie, N. Y.	40,288	52,208,372	96	4	Jan. 1	Jan. 15	28.43	9.36	8.98	....	46.77	60	28.06	235
236. Ogden, Utah	40,272	41,477,441	78	22	Jan. 1	Sept. 15	12.00	11.50	4.70	5.70	33.90	60	20.34	236
237. Oshkosh, Wis.	40,108	60,667,000	84	16	Jan. 1	Jan. 1	11.47	9.28	5.25	....	26.00	85	22.10	237
238. Anderson, Ind.	39,804	41,226,527	..	..	Jan. 6	Jan. 1 July 1	7.70			incomplete				238
239. East Cleveland, Ohio	39,667	83,359,580	90	10	Jan. 1	June 20 Dec. 20	8.10	15.66	4.44	.40	28.60	90	25.74	239
240. La Crosse, Wis.	39,614	51,410,698	82	18	Jan. 1	Jan. 1	10.35	11.44	5.40	.81	28.00	85	23.80	240
241. Butte, Mont.	39,532	(Not reporting)												241
242. Sheboygan, Wis.	39,251	51,546,390	82	18	Jan. 1	Jan. 1	14.32	9.74	4.72	1.14	29.92	75	22.44	242
243. Waltham, Mass.	39,247	(Not reporting)												243
244. Quincy, Ill.	39,241	(Not reporting)												244
245. Meriden, Conn.	38,481	(Not reporting)												245
246. Bloomfield, N. J.	38,077	68,860,678	89	11	Jan. 1	June 1 Dec. 1	15.50	12.10	5.90	1.10	34.60	100	34.60	246

COMPARATIVE TAX RATES OF 290 CITIES OVER 30,000 FOR 1931—*Continued*

City	Census 1930	Assessed valuation	Per cent		City fiscal year begins	Date of collection of city tax	Tax rate per $1,000 of assessed valuation adjusted to uniform 100% basis of assessment					Estimated ratio of assessed value to legal basis (per cent)	Final readjusted tax rate	No.
			Realty	Personalty			City	School	County	State	Total			
GROUP V—*Continued* *Population 30,000 to 50,000*														
247. Rock Island, Ill.	37,953	$24,497,875	79	21	Apr. 1	Mar. 1	$13.20	$20.00	$6.30	$3.90	$43.40	33	$14.47	247
248. Cumberland, Md.	37,747	42,000,000	83	17	Apr. 1	May 20	10.00	8.30	7.40	2.50	28.20	75	21.15	248
249. San Bernardino, Calif.	37,481	18,414,020	88	12	July 1	Dec. Apr.	18.75	23.40	30.10	N	72.25	33	24.08	249
250. Green Bay, Wis.	37,415	59,377,655	84	16	Jan. 1	Dec. 1	13.92	10.33	8.25	....	32.50	90	29.25	250
251. Raleigh, N. C.	37,379	(Not reporting)												251
252. Taunton, Mass.	37,355	(Not reporting)												252
253. Santa Monica, Calif.	37,146	(Not reporting)												253
254. West New York, N. J.	37,107	51,846,543	98	2	Jan. 1	June 1 Dec. 1	19.86	16.78	8.82	3.93	49.39	90	44.45	254
255. Hazleton, Pa.	36,765	28,855,840	92	8	Jan. 4	Apr. 1	14.00	24.00	12.40	N	50.40	50	25.20	255
256. Danville, Ill.	36,765	(Not reporting)												256
257. High Point, N. C.	36,745	(Not reporting)												257
258. Auburn, N. Y.	36,652	53,002,086	100	..	July 1	July 1	10.32	5.25	8.99	.20	24.76	98	24.26	258
259. Zanesville, Ohio	36,440	56,589,890	75	25	Jan. 1	Dec. June	5.90	10.50	5.00	.40	21.80	100	21.80	259
260. Superior, Wis.	36,113	48,411,867	84	16	Jan. 1	Dec. 15	6.62	14.33	15.50	1.05	37.50	100	37.50	260
261. Arlington, Mass.	36,094	60,917,100	95	5	Jan. 1	Nov. 1	16.01	12.56*	1.57	1.26*	31.40	98	30.77	261
262. Norwalk, Conn.	36,019	66,052,854	92	8	Sept. 1	Oct. 1	13.50	8.00	.50	3.00	25.00	80	20.00	262
263. Elgin, Ill.	35,929	30,354,434	74	26	Jan. 1	Mar. 1	18.69	18.80	3.15	3.90	44.54	33	14.85	263
264. Norristown, Pa.	35,853	25,649,995	92	8	Jan. 1	June 1	15.00	20.00	3.00	N	38.00	33	12.67	264
265. White Plains, N. Y.	35,830	171,819,646	100	..	Jan. 2	Jan. 2 July 1	7.68	10.48	4.66	....	22.82	100	22.82	265
266. Revere, Mass.[24]	35,680	42,020,200	92	8	Jan. 1	Oct. 15	41.60	....	.....	....	41.60	80	33.28	266
267. Steubenville, Ohio	35,422	73,929,920	77	23	Jan. 1	Dec. 20 June 20	4.80	5.80	5.15	3.05	18.80	80	15.04	267
268. Orange, N. J.	35,399	49,320,294	93	7	Jan. 1	June 1 Dec. 1	21.04	10.80	5.90	3.86	41.60	85	35.36	268
269. Alameda, Calif.	35,033	31,219,025	85	15	July 1	Nov. 1	19.00	15.70	21.40	N	56.10	60	33.66	269
270. Lewiston, Me.	34,948	34,255,539	70	30	Mar. 1	Aug. 20	17.00	8.50	1.70	6.80	34.00	60	20.40	270
271. Watertown, Mass.	34,913	54,161,985	92	8	Jan. 1	Nov. 1	19.27	9.90	1.92	4.31	35.40	80	28.32	271
272. Amsterdam, N. Y.	34,817	31,088,246	97	3	Jan. 1	Apr. 1	16.60	21.40	12.08	....	50.08	55	27.54	272
273. West Allis, Wis.	34,671	52,269,131	80	20	Jan. 1	Jan. 1	14.31	12.69	5.79	1.21	34.00	60	20.40	273
274. New Brunswick, N. J.	34,555	45,508,057	90	10	Jan. 1	June 1 Dec. 1	21.90	11.60	9.40	3.80	46.70	100	46.70	274
275. Easton, Pa.	34,468	44,833,083	100	..	Jan. 1	Jan. July	13.50	15.00	7.00	N	35.50	60	21.30	275
276. Plainfield, N. J.	34,422	63,086,310	90	10	Jan. 1	June 1 Dec. 1	17.80	11.90	6.00	3.80	39.50	65	25.68	276
277. Newport News, Va.	34,417	34,904,818	87	13	Jan. 1	Dec. 4	16.60	12.90	N	N	29.50	50	14.75	277
278. Santa Barbara, Calif.	33,613	49,002,045	..	..	July 1	Dec. 5 Apr. 20	15.20	25.42	13.58	N	54.20	67	36.13	278
279. Paducah, Ky.	33,541													279

COMPARATIVE TAX RATES OF 290 CITIES OVER 30,000 FOR 1931—*Continued*

City	Census 1930	Assessed valuation	Per cent		City fiscal year begins	Date of collection of city tax	Tax rate per $1,000 of assessed valuation adjusted to uniform 100% basis of assessment					Estimated ratio of assessed value to legal basis (per cent)	Final readjusted tax rate	No.
			Realty	Personalty			City	School	County	State	Total			
GROUP V—*Continued* *Population 30,000 to 50,000*														
280. Mansfield, Ohio	33,525	$76,000,000	70	30	Jan. 1	Dec. June	$6.40	$9.40	$5.15	$ .45	$21.40	95	$20.33	280
281. Waukegan, Ill.	33,499													281
282. Norwood, Ohio	33,411	76,758,000	66	34	Jan. 1	Dec. 20 June 20	6.98	7.45	4.67	.40	19.50	80	15.60	282
283. Sioux Falls, S. Dak.	33,362	45,538,275	74	26	Jan. 1	May 1 Nov. 1	11.64	15.34	4.03	3.10	34.11	75	25.58	283
284. Colorado Springs, Colo.	33,237	42,000,000	67	33	Jan. 1	Mar. 1	13.00	14.40	8.18	3.59	39.17	50	19.59	284
285. Elkhart, Ind.	32,949	(Not reporting)												285
286. Kokomo, Ind.	32,843	38,605,295	67	33	Jan. 1	May 1 Nov. 1	10.25	10.75	7.70	2.90	31.60	98	30.97	286
287. Laredo, Texas	32,618	(Not reporting)												287
288. Tucson, Ariz.	32,506	34,553,510	94	6	July 1	Sept. Mar.	16.70	6.50	13.90	9.50	46.60	80	37.28	288
289. Richmond, Ind.	32,493	(Not reporting)												289
290. Rome, N. Y.	32,338	(Not reporting)												290
291. Wilmington, N. C.	32,270	43,949,113	80	20	July 1	Oct. 1	12.00	9.40	3.60	N	25.00	82	20.50	291
292. Moline, Ill.	32,236	24,985,835	70	30	Apr. 1	Mar. 15	13.10	26.30	7.35	3.90	50.65	33	16.88	292
293. Watertown, N. Y.	32,205	47,311,147	99	1	July 1	July 1	13.60	11.40	8.30	....	33.30	86	28.64	293
294. Muskogee, Okla.	32,026	27,500,000	70	30	July 1	Jan. 1 July 1	17.00	16.50	10.00	3.50	47.00	60	28.20	294
295. Meridian, Miss.	31,954	(Not reporting)												295
296. Pensacola, Fla.	31,579	(Not reporting)												296
297. Nashua, N. H.	31,463	42,216,860	90	10	Jan. 1	Dec. 1	18.96	10.44*	2.17	2.76	35.33	100	35.33	297
298. Fort Smith, Ark.[27]	31,429	22,369,183	64	36	Jan. 1	Jan. 1	3.66	11.33	4.97	3.95	23.91	60	14.35	298
299. Port Huron, Mich.	31,361	38,693,065	84	16	May 1	July	13.96	15.26	8.63	3.79	41.64	100	41.64	299
300. Newburgh, N. Y.	31,275	40,901,600	100	..	Jan. 1	Mar. 15	13.40	9.50	11.66	N	34.56	76	26.27	300
301. Marion, Ohio	31,084	47,421,170	80	20	Jan. 1	Dec. June	9.88	10.93	2.61	.40	23.82	50	11.91	301
302. Bloomington, Ill.	30,930													302
303. Hagerstown, Md.	30,861	40,005,114	75	25	June 1	Jan. 1	11.50	8.18	4.82	2.50	27.00	100	27.00	303
304. Bellingham, Wash.	30,823	17,734,885	..	..	Jan. 1	Feb. 1	10.78	6.25	10.55	5.49	33.07	70	23.15	304
305. Baton Rouge, La.	30,729	(Not reporting)												305
306. Newark, Ohio	30,596	47,823,420	70	30	Jan. 1	Dec. June	7.77	10.55	4.28	.40	23.00	80	18.40	306
307. Everett, Wash.	30,567	17,435,212	70	30	Jan. 1	Feb. 1	15.00	9.75	8.90	6.10	39.75	50	19.88	307
308. Santa Ana, Calif.	30,322	20,253,010	51	49	July 1	Nov. 1	18.70	24.30	14.50	N	57.50	25	14.33	308
309. Alton, Ill.	30,151	17,600,000	67	33	Apr. 1	Jan. 1 July 1	15.10	22.50	4.70	3.90	46.20	37	17.09	309

COMPARATIVE TAX RATES OF 290 CITIES OVER 30,000 FOR 1931—*Continued*

City	Census 1930	Assessed valuation	Per Cent		City fiscal year begins	Date of collection of city tax	Tax rate per $1,000 of assessed valuation adjusted to uniform 100% basis of assessment				Estimated ratio of assessed value to legal basis (per cent)	Final readjusted tax rate	No.
			Realty	Personalty			City	School	Province	Total			
CANADIAN CITIES													
1. Montreal, Que.[32]	810,925	$ 962,731,641	100	..	Jan. 1	Oct. 1	$15.50	$12.00	N	$27.50	100	$27.50	1
2. Toronto, Ont.[33]	627,582	1,054,860,709	100	..	Jan. 1	May 7 July 7 Sept. 4	23.15	10.45	N	33.60	75	25.20	2
3. Vancouver, B. C.[34]	245,307	368,535,209	100	..	Jan. 1	Aug. 3	21.28	8.23	N	29.51	100	29.51	3
4. Winnipeg, Man.[35]	217,587	237,407,160	100	..	Jan. 1	June 1	15.81	10.70	.74	27.25	100	27.25	4
5. Hamilton, Ont.[36]	154,914	172,139,850	100	..	Jan. 1	June 1 Sept. 1	20.19	14.81	N	35.00	75	26.25	5
6. Quebec, Que.[37]	129,103	117,524,442	100	..	May 1	Aug. 1	23.40	9.50	N	32.90	80	26.32	6
7. Ottawa, Ont.[36]	124,988	158,572,852	100	..	Jan. 1	June 18 Nov. 18	24.44	11.15	N	35.59	67	23.73	7
8. Calgary, Alta.[38]	83,362	66,027,364	100	..	Jan. 1	June 20	17.60	17.65	1.50	36.75	100	36.75	8
9. Edmonton, Alta.[39]	74,298	67,037,990	100	..	Jan. 1	June 17 Aug. 17 Oct. 17 Dec. 3	20.74	17.37	N	38.11	90	34.30	9
10. London, Ont.[40]	71,022	86,816,439	100	..	Jan. 1	June 18 Aug. 18 Oct. 19	23.05	14.45	N	37.50	70	26.25	10
11. Windsor, Ont.[41]	62,957	89,925,175	100	..	Jan. 1	June 15 Oct. 15	20.75	16.25	N	37.00	80	29.60	11
12. Halifax, N. S.[42]	58,939	58,628,120	100	..	May 1	May 1 Sept. 1	22.78	11.16	.94	34.88*	80	27.81	12
13. St. John, N. B.[43]	55,000	53,030,800	100	..	Jan. 1	Aug. 12 Sept. 23 Oct. 21	12.60	10.20	9.60	32.40	100	32.40	13
14. Regina, Sask.[44]	53,034	47,180,250	100	..	Jan. 1	June 30 Dec. 31	15.45	11.11	.80	27.36	100	27.36	14
15. Saskatoon, Sask.[45]	43,025	34,364,540	100	..	Jan. 1	July 31	11.82	18.49	1.15	31.46	100	31.46	15
16. Victoria, B. C.[46]	38,441	56,271,499	100	..	Jan. 1	Aug. 15	22.07	8.27	N	30.34	100	30.34	16
17. Three Rivers, Que.	35,195												17

*=Estimated. N=None.

[1] *New York.* The assessed valuation is exclusive of $910,543,750 of new dwellings exempted from local taxation until 1932, but assessed for state tax. The official computation gives a single rate for city, school and county purposes, the separate rates shown being in proportion to appropriations. Varying rates are levied on the several boroughs for local improvements, the rate shown being for Manhattan Borough. The estimated ratio of assessed value to legal basis is based upon the state equalization table.

[2] *Chicago.* The figures given are for 1929 valuation and tax levies, payable in May, 1931. The city rate includes sanitary district and south park district (central business section and greater portion of south side) rates. Rates in other sections are somewhat higher or lower because of variations in park taxes.

[3] *Philadelphia.* The city rate includes the cost of county government, which is consolidated with the city. The rates given are on city realty, comprising 95.3 per cent of all realty; suburban realty (4.4 per cent of all realty) is taxed at two-thirds, and farm realty (.3 per cent) at one-half the rate on city realty—except that property in independent poor districts (having local poor taxes of 30 to 40 cents per $1,000 valuation) is further relieved from such poor taxes. Money at interest and vehicles to hire, comprising the personalty, are taxed at 4 mills. There is no state tax on property subject to local taxation in Pennsylvania.

[4] *Los Angeles.* City rate includes metropolitan water district, 30 cents. There is no state tax on real estate in California.

[5] *Cleveland.* City rate includes library, $1.15.

[6] *Baltimore.* There is no county rate. There are four rates of taxation on real property—full, suburban, rural and new annex; all rates less than the full rate are increasing annually at 6, 3 and 2 per cent, respectively, to place them on a par with the full rate in 1938. Personal property of manufacturers is exempt.

[7] *Pittsburgh, Scranton.* The city rate upon improvements is one-half the rate upon land, the weighted average rate being shown. Machinery is exempt from taxation.

[8] *Washington.* Appropriations for the District of Columbia are made by Congress, a lump sum of $9,500,000 thereof being paid by the federal treasury. There is a single rate for all purposes, the school rate reported being estimated. Intangible personalty, $545,188,143, not included in the valuation reported, is taxed at one-half of one per cent. Banks, trust companies and public service corporations are taxed at various rates on earnings or receipts.

[9] *Minneapolis, St. Paul, Duluth.* The Minnesota statutes provide for five classes of property, assessed at varying bases of true value: real estate (except unplatted) is assessed at 40 per cent; iron ore at 50 per cent; personalty, in three classes at 10, 25 and 33⅓ per cent, respectively. The average of all is 38 per cent, and the rates reported are the actual rates adjusted to an uniform 100 per cent basis. Money and credits (not included in the valuation reported) are taxed 3 mills. The city rate for Minneapolis includes bonded debt and pensions for schools.

[10] *New Orleans.* The city and school rates reported are the actual rates adjusted to an uniform 100 per cent basis (85 per cent of actual).

[11] *Newark, Jersey City, Trenton, Elizabeth, East Orange, Atlantic City, Passaic.* In New Jersey cities, the state rate includes a school tax, which is returned to local school districts.

[12] *Kansas City, Mo.* The valuation reported is for city tax purposes; the valuation for school, county and state purposes is about one-fifth larger; the rates reported are adjusted to an uniform 100 per cent basis.

[13] *Seattle.* Assessments in Washington are on a legal 50 per cent basis. The rates reported are the actual rates adjusted to an uniform 100 per cent basis. The city rate includes part 50 cents (adjusted from $1.00 on legal basis).

[14] *Louisville.* Shares of stock of banks, trust companies and domestic life insurance companies, assessed at $27,850,117, are taxed $2 per $1,000 for city and $4 for schools. Unmanufactured agricultural products, $5,644,200, are taxed $1.50 for city purposes.

[15] *Portland.* The realty valuation includes total utility valuations of public service companies as assessed by the state, 11.94 per cent; city rate includes dock, $2.15; school rate includes library, 80 cents, and $2.11 county school and $2.20 state elementary school levies, which are returned to local school districts.

[16] *Columbus.* Personalty includes $53,390,350 public utilities real and personal property, which in Ohio is assessed as a whole and is listed as personal property.

[17] *Oakland.* City rate includes water utility district, $3.50.

[18] *Atlanta.* There is no separate rate for schools, the charter allotting 26 per cent of all revenues to schools; the rate is estimated. Assessment for county and state purposes is 70 per cent of the city valuation.

[19] *Birmingham.* The legal basis of assessment in Alabama is 60 per cent; the rates reported are the actual rates adjusted to an uniform 100 per cent basis.

[20] *Providence.* There is no county government in Rhode Island. The school rate is approximate, based upon statutory provision of 35 per cent of average tax collections for 3 years previous. There is a $4 per $1,000 tax on intangible personalty.

[21] *Richmond.* The cities of Virginia are autonomous, having no county government. There is no state tax on property subject to local taxation. The total rate given is for realty; personalty ($20,000,000) and machinery ($13,000,000) are assessed $22 and $6 respectively. The readjusted rate is the weighted average.

[22] *Des Moines, Sioux City, Davenport.* Taxable values in Iowa are one-quarter of assessed values; the rates reported are the actual rates adjusted to an uniform 100 per cent basis. Money and credits, not included in valuation reported, are taxed at 6 mills.

[23] *Norfolk.* The city rate includes school, the separation not being reported. See also note 21.

[24] *Albany, Chattanooga, Columbus, Revere.* The city rate includes school, not separately reported.

[25] *Spokane, Tacoma.* See note 13, *re* legal basis of assessment and adjusted rates reported.

[26] *Wilmington.* Assessed valuation does not include public utility companies, $2,390,850. There is no state tax.

[27] *Little Rock, Fort Smith.* Assessments are reported at legal basis of 50 per cent, and the rates reported are the actual rates adjusted to an uniform 100 per cent basis.

[28] *Evanston.* The rates reported are for 1929 levy, collected in 1931. The school and park rates vary for districts, the rates given being for north park and school district 75.

[29] *Charleston.* Assessments are reported at legal basis of 42 per cent, and the rates reported are the actual rates adjusted to an uniform 100 per cent basis. County rate includes state, not separately reported.

[30] *Columbia.* See note 29, reassessment basis and rate adjustment.

[31] *Phoenix.* Improvements are assessed at 60 per cent.

[32] *Montreal.* The Catholic school rate is $7, the Protestant and Jew rate $10, and the neutral rate $12, the last rate being reported.

[33] *Toronto.* Realty valuation includes 10.73 per cent business and 7.64 per cent income. The school rate given is public school; the separate school rate is $14.80.

[34] *Vancouver.* Land is assessed 100 per cent, and buildings at 50 per cent; the ratio of rateable assessment to total valuation is 74 per cent. The rates reported are the actual rates adjusted to an uniform 100 per cent basis. The gross tax rate is $43.82, but is reported $39.88 because over 90 per cent is paid before expiration of a 9 per cent discount period.

[35] *Winnipeg.* Land is assessed at 100 per cent, and buildings at 66⅔ per cent; the ratio of rateable assessment is 79 per cent. The rates reported are the actual rates adjusted to an uniform 100 per cent basis.

[36] *Hamilton, Ottawa.* Realty valuation includes 15 per cent business and income.

[37] *Quebec.* The city rate includes $5 for water paid by assessed property exempt from other taxes, and $2.90 for improvements.

[38] *Calgary.* Land is assessed at 100 per cent, buildings at 50 per cent; the ratio of rateable assessment is 70 per cent; the rates reported are the actual rates adjusted to an uniform 100 per cent basis. Realty valuation includes 2.58 per cent franchises.

[39] *Edmonton.* Land is assessed at 100 per cent, and buildings at 60 per cent; the ratio of rateable assessment is 77 per cent. The rates reported are the actual rates adjusted to an uniform 100 per cent basis.

[40] *London.* Realty valuation includes 14.3 per cent business and income.

[41] *Windsor.* The school rate reported is public school; the separate (Catholic) school rate is $19.95.

[42] *Halifax.* Realty valuation includes 19 per cent business and income.

[43] *St. John.* Realty valuation includes 43.1 per cent income.

[44] *Regina.* Land is assessed at 100 per cent, and buildings at 30 per cent; the ratio of rateable assessment is 57 per cent. The rates reported are the actual rates adjusted to an uniform 100 per cent basis. The school rate reported is the public school rate; the separate school rate is 71.25 per cent higher.

[45] *Saskatoon.* Land is assessed at 100 per cent, and buildings at 45 per cent; the ratio of rateable assessment is 72.5 per cent. The rates reported are the actual rates adjusted to an uniform 100 per cent basis.

[46] *Victoria.* Land is assessed at 100 per cent, and buildings at 50 per cent; the ratio of rateable assessment is 72.26 per cent. The rates reported are the actual rates adjusted to an uniform 100 per cent basis.

RECENT BOOKS REVIEWED

Budgeting for Small Cities. By A. E. Buck. New York: Municipal Administration Service, 1931. 21 pp. 25 cents.

The budget has been heralded as the chief tool of democracy, yet like all tools, its effectiveness as such depends on the art of the toolmaker in shaping it to the purpose intended, and the skill of those who would use it. In *Budgeting for Small Cities*, Mr. Buck admirably plays the roll of patternmaker for the small city budget. As pointed out in the introduction, the small city has been left to shift for itself in budgetary matters, attention having been focused largely on budget reform in the larger cities. The aggregate expenditures of these small municipalities is undoubtedly less than that of the larger cities; yet, when reduced to a per capita expenditure, the importance of proper budgeting in the small place becomes very obvious.

Mr. Buck presents his subject in an interesting and straightforward manner, free from academic surplusage, and with an apparent appreciation of the character of his audience. The pamphlet is divided into three parts: The Budget Document and Forms, The Preparation and Adoption of the Budget, and The Execution of the Budget, with ten, two and six pages, respectively, devoted to these subjects. Of the total, six pages are devoted to forms illustrating the development of an actual small city budget. This method of treatment gives life to the subject matter.

This pamphlet is not a sermon on better budgets in small cities, like unto so many efforts to bring about the dawn of better things in government. From beginning to end it is designed to get action. It has that "Do it now" characteristic which the ad writer attempts to put into his copy. The brevity of the text, the freedom from non-essentials, and the illustrative forms are certain to prove attractive to the official of the small city who is responsible for making up the budget. In the smaller places he is paid, if at all, to devote but a small part of his time to governmental affairs, and must make a living in other activities. We could hardly expect him to read a text on the subject.

The reviewer believes that this pamphlet, if given proper circulation, would be of great practical value in the improvement of small city budgets. It sets a stride that the Municipal Administration Service will find difficult to maintain.

Harold D. Smith.

Michigan Municipal League.

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Buildings, Their Uses and the Spaces About Them. Vol. VI, Regional Plan of New York and Its Environs. 1931.

This, the last volume of the survey reports of the Regional Plan of New York, comprises three monographs: Character, Bulk and Surroundings of Buildings by Thomas Adams; Housing Conditions in the New York Region by Thomas Adams in collaboration with Wayne D. Heydecker; and Control of Building Heights, Densities and Uses by Zoning by Edward M. Bassett. Harold M. Lewis and Lawrence M. Orton assisted in preparation of the report. There are three appendices: The Migration of Industry in the New York Reigon for the Years 1926 and 1927; the Economic Production of Workingmen's Homes by Grosvenor Atterbury and Standardized Construction of Dwellings by W. H. Ham; and a tabulation of Zoning Cases in the United States by Edward M. Bassett and Frank B. Williams.

Adequate review of any of the New York Regional Plan Report volumes seems almost impossible. The extensive plan survey has a social significance which will quite probably become more and more apparent as time goes on. Never was a great city and its environs so studied and appraised. The opportunity here afforded to acquire a comprehension of the forces at work in the building of a great metropolitan region is invaluable—even though the problems of New York are admittedly unique and of greater complication than those of other cities of the United States.

There are many constructive suggestions for improvement of liveability in the city and suburban areas. Desirable housing schemes like those of the state board of housing; Forest Hills and Bridgeport; and the development at Radburn and Sunnyside, founded upon an advanced social philosophy, are described. The value of such housing schemes as object lessons is recognized.

The importance of effective control of subdivision layout is stressed both directly and indirectly throughout the report.

Courage is not lacking the authors to touch upon so vexed a matter as the question of state-aid to housing. The undesirability of replacing private by public enterprise is stressed, but the report shows that a city may allow conditions to become so bad that private initiative cannot correct them and the public will be forced into extravagant expenditures.

Notice should be made of the positive and useful statement of the relation of the apartment house to suburban cities and towns, in Mr. Bassett's monograph on zoning, and the valuable reference list and tabulation of zoning cases in the United States by Mr. Bassett and Mr. Williams.

RUSSELL VAN NEST BLACK.

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MUNICIPAL REPORTS

BERKELEY, CALIFORNIA. *Civic Affairs—Eighth Annual Report, 1930–31.* By Hollis R. Thompson, City Manager. 83 pp.

EAST CLEVELAND, OHIO. *Municipal Report, 1930.* By Charles A. Carran, City Manager. 40 pp.

KENOSHA, WISCONSIN. *Ninth Annual Report, 1930.* By William E. O'Brien, City Manager. 116 pp.

OKLAHOMA CITY, OKLAHOMA. *Citizens' Yearbook, 1931.* By John L. McClelland, City Manager. 95 pp.

STAUNTON, VIRGINIA. *Twenty-Third Annual Report.* By W. F. Day, City Manager. 52 pp.

In several respects these five reports portraying the activities of their respective cities of varying size and geographically quite widely separated are pretty much alike. They adhere to the conventional size, 6 x 9 inches; are uniformly attractive, quite well illustrated by pictures and charts; have municipal organization charts; all have sufficient comparative data that indicate trends; and all are free of ballyhoo. Wide disparity marked the time of their appearance—only Staunton's was available in less than six weeks after the end of the period, covered the Kenosha report was six months late, and the others appeared after a lapse of about four months.

All except Berkeley failed dismally to emphasize important facts by a change in type in the text or by some other device to attract the casual reader's attention to significant facts. This failure, however, was partly compensated for by summaries of accomplishments near the beginning of most of them.

In the Berkeley report, municipal activities are presented in what would seem a logical order, high spots are emphasized by a change in type, charts and pictures are well chosen, and distributed throughout the report, and no one activity is given an undue amount of space. An interesting feature is the stamped return post card inclosed in the report requesting the reader to answer certain questions about the report.

The East Cleveland report is of a very high order. It is brief—forty pages—and except for its failure to emphasize important facts would have come near being a model, although we cannot overlook its lateness in appearance.

The Kenosha and Oklahoma City reports rank about equal, although their strong and weak points do not always coincide. For example, the former is very well illustrated while the latter is only moderately so. On the other hand, the Kenosha report has no table of contents to its 116 pages, while the Oklahoma City report with fewer pages partly makes up for the same omission by placing in the back of the report a far too elaborate index covering nearly five pages. A brief table of contents in the front of reports is adequate and is a very great aid to the reader in helping him to locate the object of his special interest.

The Staunton report is not commented on last in this review because it is the best—though it is—shading the East Cleveland and Berkeley reports by a trifle. As a matter of fact in the rating of these three reports the difference is represented largely by the credit due the Staunton report for its promptness. An exceptionally high point in report writing has been attained in the reports of these three cities.

CLARENCE E. RIDLEY.

The University of Chicago.

REPORTS AND PAMPHLETS RECEIVED

EDITED BY EDNA TRULL

Municipal Administration Service

Billboards and Aesthetic Legislation.—Lucius H. Cannon. St. Louis Public Library, 1931. 42 pp. The state of outdoor advertising in Boston, Chicago, Detroit, Indianapolis, Kansas City, Missouri, New York and St. Louis is described and state legislation is summarized for California, Florida, Missouri, New Jersey, New Mexico, and the District of Columbia. As the sub-title—"New Applications of the Police Power"—indicates, the emphasis is placed on the legal aspects of remedial legislation and the enforcement of the constitutional remedies. (Apply to Municipal Reference Library, 408 City Hall, St. Louis, Missouri. Price 25 cents.)

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Meeting New York City's Relief and Unemployment Problems.—New York, 1931. 22 pp. Acting Mayor McKee named a committee of Comptroller Berry and Welfare Commissioner Taylor, to investigate the conditions caused in New York by the business depression and to submit a plan for relief. Comptroller Berry, as chairman, offers recommendations for expediting public improvements, systematic apportioning of all welfare activities and advises how necessary funds may be obtained without increasing the tax burden. (Apply to Comptroller Charles W. Berry, City Hall, New York City.)

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The Treatment of Sewage from the Easterly Sewage District.—George B. Gascoigne. Cleveland, Ohio, 1931. Volume 1. 157 pp. with diagrams and tables. The report of the Consulting Sanitary Engineer to Mr. Rees H. Davis, Director of Public Service, is an exhaustive plan for a disposal plant which will clean up the polluted frontage waters of Cleveland and protect bathing and water supply. Some years ago, preparation for this program was begun with the purchase of a site and the installation of preliminary treatment equipment. The plan now calls for the construction of a $12,000,000 plant of the activated sludge type for the complete treatment of sewage from an area inhabited by 770,000 people. It is estimated that the annual operation will cost about $600,000. (Apply to George B. Gascoigne, Consulting Sanitary Engineer, Cleveland, Ohio.)

Fighting Fires Which Involve Chemicals.—L. K. Arnold & L. J. Murphy. Iowa State College, Ames, Iowa, 1931. 30 pp. The peculiar hazards involved in fires where chemicals are present and the general use of chemicals in household devices as well as in industrial establishments have occasioned this pamphlet. It very simply presents the particular hazards in connection with fires in buildings used for specific purposes, the probable action of the chemicals and the best treatment for them. Such a practical manual should be of invaluable aid in training of firemen for reducing fire waste and protecting themselves from physical injury. (Apply to Engineering Extension Service, Iowa State College, Ames, Iowa.)

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Publication of Books and Monographs by Learned Societies.—John Marshall. American Council of Learned Societies, Washington, D. C., 1931. The need for and difficulty of publication suggested to the Council this survey of the programs and results of their member societies. The policy of eleven of these were studied in detail and others are discussed. Recommendations are made as possible lines of future activity. (Apply to American Council of Learned Societies, 907 Fifteenth Street, Washington, D. C.)

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Salaries in City School Systems, 1930–31.—Washington, D. C., 1931. 70 pp. The research division of the National Education Association has compiled sixty tables of information on 1930–31 salaries in city schools. With the use of various forms for presentation, a great mass of statistical material is given. Additional tabulations are also available. (Apply to National Education Association, 1201 Sixteenth Street, N. W., Washington, D. C. Price 25 cents.)

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City Government of Kansas City, Missouri.—Citizens' League, 1931. 16 pp. A regular issue of the Bulletin is here devoted to an instructive outline of the city government with diagrams and with descriptions of the work of the various officers and departments. A brief directory of officials and their salaries is included, and a number of definitions significant in municipal government. A page is devoted to a description of the school system. The citizens of Kansas City are to be congratulated on having available such useful and interesting material. (Apply to Citizens' League, 510-11 H Ridge Building, Kansas City, Missouri.)

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Full Value Real Estate Assessment as a Prerequisite to State Aid in New York.—Chester Baldwin Pond. New York State Tax Commission, 1931. 189 pp. The long attempt to secure equitable assessment as a basis for the general property tax in New York has induced the Tax Commission to consider the possibility of conditioning state aid to localities on respectable assessment. The study of this was undertaken for the Commission by Dr. Pond. The author discusses the present status of property assessment, remedies such as equalization, the practice of conditioned aid in the United States, federal and state, and in other countries. Finally, he discusses the probable operation of conditioning all state aid in New York upon the full value assessment of real estate, and the possibility of legalizing the full value proposal. (Apply to State Tax Commission, Albany, New York.)

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On the State of Public Health.—London, 1931. 260 pp. The annual report of the chief medical officer of the Ministry of Health to his superior discusses vital statistics, several primary classes of disease, food and hygiene in Great Britain, and briefly, international health. In the summary, Dr. Newman especially mentions the need of putting national health insurance on a sounder and more economical basis. (Apply to H. M. Stationery Office, London. Price 4 s.)

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Suggested Peddlers' License Ordinances and Suggested Transient Merchants' License Ordinance.—Michigan Municipal League, 1931. 31 pp. 17 pp. These two subjects are covered by model ordinances drafted by the League staff. Alternative provisions are offered and suggestions to meet local conditions are made. A form for the application for peddler's license is given. Other explanatory notes and tables of contents add to the value of the material. (Apply to the Michigan Municipal League, Ann Arbor. Price $1.00.)

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Trend of Electric Railway Fares, 1917–31.—New York, 1931. 132 pp. The American Electric Railway Association has collected material from 371 cities of over 25,000 inhabitants to show the trend of street railway fares. Cities which have never had this type of transportation or which have abandoned it are indicated. Besides the specific details of fares, transfer and zone systems, summary tables are given, showing, for instance, that the average cash fares have increased from 5.05 cents in 1917 to 8.12 cents in 1930 and that the mode has increased from 5 cents to 10 cents in this period. (Apply to American Electric Railway Association, 292 Madison Avenue, New York City.)

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Airport Design and Construction.—Washington, D. C., 1931. 58 pp. illustrated. The growing number of municipal and commercial airports and the necessity of proper planning for future developments has occasioned this bulletin, into which a number of the best current ideas are incorporated. The subjects covered are the problems involved, selection of a site, construction of landing area, markers, buildings, and lighting. A special section deals with seaplane airports. (Apply to Aeronautics Branch, United States Department of Commerce, Washington, D. C.)

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Long Term Leases.—Clarence M. Lewis. New York, 1931. 14 pp. The author, who also wrote the *Law of Leases of Real Property*, in his published address to the New York State Association of Real Estate Boards discussed terms of lease, holding after expiration, premises, injury to premises, bankruptcy of tenant, taxes, the effect of prohibition on leases and other pertinent factors. (Apply to Baker Voorhis Company, 119 Fulton Street, New York City. Price 25 cents.)

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Operation of the State Employees' Retirement System.—Albany, New York, 1931. 64 pp. Nearly 40,000 employees of New York State and its governmental units are members of the State Retirement System. In this document, the comptroller reports on the operation of the system particularly on the basis of material from the Actuary on the valuation of its assets and liabilities. The recommendation made is that the present rates be continued for the next five-year period with a possible lowering of the accidental disability benefit. (Apply to the Comptroller, State Capitol Building, Albany, New York.)

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE

Professor of Law, New York University

Municipal Contracting.—Limitations on Employment—Local Regulations Affecting Competitive Bidding.—Several cases involving regulations for bidding upon municipal contracts have recently been before the courts. Where a statute simply provides that certain contracts must be let to the lowest responsible bidder the question frequently arises as to how far the municipality may go in attaching conditions to the bidding. In *Ebbeson* v. *Board of Public Education in Wilmington,* 156 Atl. 286, a taxpayer's action, the Delaware Court of Chancery was called to pass upon the validity of a condition in the specifications limiting bidders to those who could qualify as *bona fide* residents of the state for the six months immediately previous. In the absence of evidence showing that the effect of such a condition would be to increase the cost of the work, the court refused to grant the petitioner's prayer for an injunction.

Statutes requiring public contracts to include stipulations limiting the hours of labor or providing for the payment of the prevailing rate of wages in the locality or restricting employment to residents or citizens of the state do not violate the federal Constitution (*Heim* v. *McCall,* 239 U. S. 175; *Campbell* v. *New York,* 244 N. Y. 317, 155 N. E. 668). In the instant case, however, no statute directed or authorized the inclusion of a condition in the specifications requiring contractors to be a resident of the state. The holding of the court, therefore, is that the statute providing that contracts be let to the lowest responsible bidder does not preclude a municipality from specifying that the bidding shall be limited to residents of the state, so long as it is not shown that the effect of such a provision is to increase materially the cost of the work. The test in each case where such an ordinance comes in conflict with the statute in question is whether the condition imposed by the municipality will tend to limit competition and increase the price. Applying this test the Supreme Court of Missouri in *Allen* v. *Lapsap,* 188 Mo. 701, 87 S. W. 928, held that a condition in a municipal contract that all stone to be used in the construction of a public building should be dressed within the state was permissible, while the Supreme Court of Pennsylvania in *Taylor* v. *Philadelphia,* 261 Pa. 458, 104 Atl. 766, held that a condition in a similar contract requiring the work to be done within the city violated the statute requiring that contracts should be let to the lowest responsible bidder.

The application of the above principle to emergency ordinances providing for contracts designed to give employment to residents of the city is obvious. It is extremely doubtful whether such a provision even under present conditions would be upheld in any case where the statute or charter calls for competitive bidding. The wise way to safeguard contracts calling for the employment of only local help is by the enactment of a statute expressly authorizing that such a stipulation may be incorporated.

Unit Prices in Municipal Contracts—The Court of Appeals of New York in *Randolph McNutt Co.* v. *Eckert,* 257 N. Y. 102, 177 N. E. 386, upholds the power of the board of education of the city of Buffalo to call for bids for supplies at unit prices, without specifying the quantity to be purchased, further than to include all supplies that may be required for certain schools during a definite period. The plaintiff entered into a contract of that kind and furnished goods to the city, but the comptroller refused to issue a warrant for their payment upon the ground that the statute requiring competitive bidding was violated by the issuance of specifications calling for bids at unit prices upon an indefinite quantity of material. In affirming a peremptory order of mandamus, the court holds that, in the absence of a statute or of a provision in the charter requiring that the specifications shall call for a definite quantity, the board has the power to include in the specifications the condition in question. The power of the board in the instant case was conferred by the Education Law of the state which contains no such limitation.

In many instances statutes require that quantities be stated in advertising for bids. The charter of the city of New York contains such a provision which has been construed to require as definite a statement of quantities as possible in a given case (*Hart* v. *City of New York,* 201 N. Y. 45, 94 N. E. 219) and it seems to be shown by experience that compliance with such a requirement results in lower prices. If it seems desirable that bidding be done at unit prices, an amendment to the Education Law requiring an approximate estimate of the quantities to be used should be enacted. In this way all bidders would be placed upon a more even footing, their risk would be lessened and lower prices would result.

Prequalification of Bidders.—The question of the power of a board of education in New York to enforce a regulation requiring bidders to qualify as to their responsibility as a prerequisite to the consideration of their bids was recently before the New York Supreme Court, Ninth Judicial District, in the case of *J. Weinstein Building Corp.* v. *Board of Education of Mount Vernon.* In a decision handed down November 5, Justice Witschief condemned the regulation because its effect was to limit the number of bidders and to leave the door wide open to possible favoritism. While no ordinances had been enacted in this case, the same principle would apply to invalidate any action of a municipal legislative authority which similarly affected the free competition which the statute is designed to insure.

The question of the validity of prequalification regulations in relation to competitive bidding was carefully considered by the Supreme Court of Pennsylvania in *Harris* v. *Philadelphia,* 299 Pa. 473, 149 Atl. 722, decided last year. The ordinance which was condemned in that case gave the purchasing officer the right to determine conclusively in advance that certain bidders were responsible, but compelled all who were not approved to establish their qualifications by appeal to a board of review before they would be allowed to submit bids. The court held that the ordinance was unreasonable as opening the door to favoritism, but indicated in its opinion that a prequalification plan would not be held to contravene the statute, if it would result in fair, equitable and just competitive bidding. It may be noted that the Pennsylvania statute which was enacted in 1874 expressly provided that the method of ascertaining the lowest responsible bidder was to be "prescribed by ordinance."[1]

A New Jersey statute directly authorizes municipalities:

> to require from any person proposing to bid on public work duly advertised, a standard form of questionnaire and financial statement containing a complete statement of the person's financial ability and experience in performing public work, before furnishing such person with plans and specification for the proposed public work advertised. (L. 1926, c. 180, p. 301, supplementing L. 1917, p. 347.)

This statute has been held to confer discretionary powers, with the exercise of which the chancery court will not interfere except in case of fraud (*Arenco-White Construction Co.* v. *Joint Municipal Service Co.,* 9 N. J. Misc. 243, 154 Atl. 313). Even where a prequalification regulation has been adopted, its enforcement by the city authorities is still optional (*Derringer* v. *Englewood Cliffs,* 103 N. J. L. 297, 136 Atl. 605). Legislation similar to that in New Jersey would prove of great value to the municipalities of states where no such power is now given them, provided of course the local authorities are intent upon fairly administering the law so that awards shall be made to those who are not only the lowest bidders but also of proven responsibility.

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Atlanta's Growing Pains.—The New Municipality of Atlanta—An Experiment in Regional Government.—The difficulties resulting from the incorporation of the new city of Atlanta, created in 1929 to include the old city and several other cities in the immediate vicinity so as to provide for their common needs and to control the areas not previously incorporated, are gradually being ironed out by the courts. It will be remembered that the controversy of the new city with the director of the federal census was noted in the December, 1930 issue of the REVIEW. We there pointed out the advanced nature of the attempt by these municipalities to work out a plan which by trial and error will show the proper basis for a consolidated charter to be later formulated. By the temporary plan the old cities retain their corporate existence under the denomination of boroughs, which succeed to the rights and liabilities of their respective predecessors.

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[1] Pa. St. 1920, §2955. Since the decision in the Harris case the ordinance has been amended so as to give a person aggrieved by the action of the officer passing upon the question of qualification the right to an appeal to a board of review to determine *de novo* the responsibility of all those who have filed statements.

In *Borough of Atlanta* v. *Reynolds*, 159 S. E. 607, the plaintiff sued the borough of Atlanta for injuries due to a defective street and the defendant demurred upon the ground that the action could not be prosecuted against the defendant, claiming that the only corporate body charged with care of the streets and the responsibility of a municipal corporation was the city of Atlanta.

In sustaining a judgment overruling the demurrer, the Court of Appeals, Division No. 1, held that the Borough of Atlanta is the proper legal designation of the old city of Atlanta and succeeds to all its powers, rights and liabilities, unless expressly excepted by the statute. The court lays down the obvious distinction between the city and the borough of Atlanta as follows:

> A careful study of the act in question convinces us that it was the intention of the General Assembly that the cities incorporated in the municipality of Atlanta should 'be known as boroughs'; that if they should thereafter be referred to as 'cities' it would be an 'irregularity', but such irregularity would not vitiate any documents, contract, or writing; and that all the powers and liabilities vested in the cities were automatically vested in the boroughs, so that no power or liability of any city would be abrogated on account of the partial change in the corporate name; that the distinguishing name of each city, such as Atlanta, Decatur, etc., should remain the same, changing the corporate name only by eliminating the word city and substituting the word borough. Since the municipality created by the act is known as 'Atlanta', the change of the name of the old city of Atlanta to borough of Atlanta will eliminate the confusion of having two cities of the same name in one state.

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County Attempts to Go on the Air.—Power of County to Advertise—Contract with Broadcasting Company Held in Conflict with State Constitution.—In Alabama the statutes authorize a county to appropriate funds to advertise its resources and to aid in promoting industrial and manufacturing plants (Code 1923, §6755, subd. 23). In *Stone* v. *State ex rel. Mobile Broadcasting Corporation*, 136 So. 727, an action to compel the issuance of a warrant for the monthly fee of $500 which the county had agreed to pay for radio advertising, the county treasurer set up the provisions of section 94 of the state constitution which reads as follows:

> The legislature shall not have power to authorize any county, city, town or other subdivision of this state to lend its credit, or to grant public money or thing of value in aid of, or to any individual, association, or corporation whatsoever, or to become a stockholder in any such corporation, association or company, by issuing bonds or otherwise.

The contract in question was similar to one entered into by the city of Mobile and the evidence showed conclusively that it was given to induce the company to locate its station in Mobile rather than in the neighboring city of Montgomery. In resolving the conflict between the constitutional provision and the statute, the supreme court held that the purpose of the contract was patent and unanimously reversed a judgment of the trial court awarding a writ of mandamus to the petitioner. The contention that the court was thus placing a very narrow and strained construction on the constitutional provision and that under such an interpretation any newspaper advertising could be condemned as unconstitutional was answered in the following words:

> The answer to this argument is that the cause giving birth to this section of the constitution was the recognized fact that 'the trustees of government are and have always been amenable to' the subtle influence of anticipating that by establishing and promoting a new industry or institution in a community, though established for private gain, it brings to the community where established, some public benefits, and that such influence encourages the improvident expenditure of public money and the incurring of governmental liabilities that must be taken care of by taxation. No such influence could or would be present in negotiating a contract with an established medium of advertising, and the trustees of the government in negotiating and entering into such contract would be aided by competition, and deal at arm's length with only the benefit that would result from such advertising in view.

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Zoning Waivers.—Requirement of Consents of Property Owners to Validate a Non-conforming Use.—The question whether a zoning ordinance which permits the erection of a non-conforming use in a certain district upon the consent of adjoining landowners is valid was before the Supreme Court of Pennsylvania in the *Appeal of Perrin*, 156 Atl. 305. The defendant Goodman had applied for a permit to place a gasoline station on his property in a section of Pittsburgh zoned for commercial uses. The controlling ordinance prohibited gasoline stations in a commercial district unless the written consents of the owners of a majority of all the property on the same street within eighty feet of the particular site were obtained. The defendant filed certain consents with his application for a permit, which was granted by the zoning officials and upheld by the board of adjustment. The plaintiff, an adjoining owner, appealed from this ruling and the trial court reversed the board's action and revoked the permit. The supreme court in affirming this decision appears to base its holding on the fact that the defendant did not file the requisite number of consents, but at the same time states that the ordinance is valid and does not impugn the fourteenth amendment of the federal constitution.

Zoning ordinances which permit the admission or exclusion of certain uses in a locality upon the consent of a given percentage of adjacent property owners often have been attacked in the courts on the ground that such a provision amounts to an invalid delegation of the legislative power. In 1912 the Supreme Court in *Eubank* v. *Richmond*, 226 U. S. 137, held that an ordinance permitting two-thirds of the property owners in a certain area to establish a building line upon a petition to the committee on streets was invalid as an abuse of the legislative power. *Cusack Co.* v. *City of Chicago*, 242 U. S. 526 (1917), concerned an ordinance which prohibited the erection of billboards unless the owners of a majority of property in the block gave their approval. The court distinguished this case from the Eubank case by holding that in the earlier case the property owners *actually established* the regulation with the "rubber-stamp" confirmation of the committee, while in the later case the ordinance legislated against all billboards, subject to the exception that the restriction *might be lifted* upon the consent of the property owners. But in *Washington ex rel. Seattle Title & Trust Co.* v. *Roberge*, 278 U. S. 116 (1928), the court held that to require that two-thirds of the owners in the district give their approval before a home for the aged poor could be erected was an improper delegation of the police power. The court thus limited the application of its decision in the Cusack case to those uses which may easily become nuisances in restricted areas. Judge Kephart indicates that the principle of the Cusack decision should be applied in the instant case, since a gasoline station in a restricted area is undesirable and may become a nuisance either by the acts of the owners or by a change in the use of the adjacent property. The distinction seems to be sound, but a contrary conclusion has been reached by the Texas Commission of Appeals in *Continental Oil Co.* v. *Wichita Falls*, 42 S. W. (2d) 236, decided October 14, 1931.

Notice in Tort Actions.—Home Rule—City Denied Power to Prescribe Limitation upon Civil Actions.—As bearing upon the position taken by the courts of New York in *Thomann* v. *Rochester*, 256 N. Y. 165, reported in the October number of the Review, attention may be called to the recently reported decision of the Supreme Court of Oklahoma in *City of Tulsa* v. *Adams*, 3 Pac. (2d) 155, which holds that a charter amendment requiring a thirty-day written notice as a condition precedent to an action against the city for personal injuries is unconstitutional and void. The basis of the decision is that such a clause in a home rule charter violates the sections of article 5 of the state constitution forbidding special legislation (§ 46, subd. (z); § 59). These clauses expressly provide that the legislature may enact no special law "for limitation of civil or criminal actions" and that "where a general law can be made applicable, no special law shall be enacted." This conclusion necessarily follows from the premise that remedies for the enforcement of civil rights against local public corporations "is not a matter of local concern only, but is, in its nature, of general public concern" (*Tulsa* v. *McIntosh*, 141 Okla. 220, 284 Pac. 875).

It is generally held that ordinances relating to the exercise of the local police power are not within the constitutional inhibition against special legislation (*Taylor* v. *Philadelphia*, 261 Pa. 458, 104 Atl. 766). Nor in the absence of express limitations imposed by the state constitution would the legislature be prohibited from making special provisions as to the conditions of liability of municipal corporations. But local legislation affecting the enforcement of civil remedies against municipalities for wrongs done in exercising private or proprietary functions has been held in some states to be an unjust discrimination against private individuals (*Henry* v. *Lincoln*, 93 Neb. 331, 140 N. W. 664; *D'Amico* v. *Boston*, 176 Mass. 559, 58 N. E. 158; *Andrews* v. *South Haven*, 187 Mich. 294, 153 N. W. 827, L. R. A. 1916A, 908). When, however, we come to the delimitation of "municipal affairs" within the home rule amendments, it would seem obvious that legislation affecting civil remedies against the municipality should not be included within the purview of matters of local concern. The general saving clause in the constitutional amendments providing that no home rule charter shall contain any clause inconsistent with the constitution of the state or of the general laws enacted by the legislature would seem to negative a contrary implication (*Green* v. *Amarillo* [Tex. Civ. App.] 244 S. W. 241).

✤

Excess Condemnation.—Street Widening—Exchange of Lands—Effect of Excess Condemnation upon Special Assessments of Adjoining Property.—In 1928 Michigan amended its constitution to permit the excess condemnation of land in connection with expropriations for public improvements (Section 5, Article 8). Previously the courts of that state had held that no special assessment could be levied for a street improvement, if the cost value of remnants of land taken by condemnation but unnecessary for the improvement was included in the amount to be distributed upon the adjoining property specially benefited (*Panfil* v. *Detroit*, 246 Mich. 149, 224 N. W. 616). The effect of taking excess land under the power conferred by the new amendment and the statutes passed in accordance therewith came before the Supreme Court of Michigan in *Emmons* v. *City of Detroit*, 238 N. W. 188, decided October 5, 1931.

The plaintiff attacked the validity of an assessment against her property upon the ground that her lot to the rear of a lot condemned, of which only the front part was used for widening the street, did not abut upon the improvement as required by the statute to bring it under the special assessment. The court held that both the constitution and statutes contemplate that all such excess remnants of land are to be regarded as the private property of the city which may be leased or sold, and that in the instant case the city itself became the adjoining owner, so that the plaintiff's property was not subject to be assessed as abutting the improvement.

The Supreme Court of Louisiana in *Wilkie* v. *Walmsley, Mayor of New Orleans*, 136 So. 296, holds that under the power conferred by a statute of that state (Act. No. 83, Laws of 1916) permitting municipalities to exchange property with landowners so that new streets may be laid out, a municipality may exchange lands for the purpose of widening existing streets. The present congestion of traffic in our larger cities has led the courts in several states to construe liberally statutes which look to the correction of such conditions. Several states in the past two years have found it necessary to modify their rules on damages to be paid to property owners upon condemnation of a part of their property for the widening of streets. In the instant case the construction of the statute in question is reasonable, for every case of street widening is *pro tanto* an opening of a new street.

✤

Municipal Housing.—Purchase of an Apartment House as an Investment.—Under a general statute of Florida (Comp. Gen. Laws 1927, § 2942) municipal corporations have "full power and authority to take and hold property, real, personal and mixed, and to control and dispose of the same for the benefit and best interest of the corporation." Under this statute the authorities of the city of Orlando decided in 1925 to purchase and operate an apartment house, apparently solely as an investment. The interest actually taken over was a ninety-nine year lease calling for a fixed rental of $3600 a year with an option on the reversion for $50,000, to be paid partly in cash and the balance at the rate of $10,000 a year for four years, evidenced by notes of the city. Upon default in the last two installments, the seller sought judgment against the city, bringing its action in the federal courts. In affirming a judgment of the district court dismissing the complaint, the Circuit Court of Appeals, Fifth Circuit, holds that the contract was beyond the power of the city and therefore void (*Hoskins* v. *Orlando*, 51 Fed. (2d) 901).

The general power of a municipality to purchase property is limited to such property as is needed for municipal purposes (*Lewis* v. *Shreveport*, 108 U. S. 282). It buys and operates with money to be raised by taxation and its implied power cannot extend beyond what is necessarily needed to carry out its express powers. In the absence of a statute expressly conferring upon municipalities the power to undertake housing enterprises or declaring such an activity a public purpose, an attempt to engage in such private business will not be upheld.

The right of the city to recover back the $30,000 paid the plaintiff was not directly raised, but upon the finding that the contract was *ultra vires*, there would seem to be no question that, upon the surrender of the property and an accounting for the rents received, the city would be entitled to recover (*Sparks* v. *Jasper County*, 213 Mo. 215, 112 S. W. 265). No estoppel can be invoked against a municipality to validate that which is wholly *ultra vires* (*State* v. *Murphy*, 134 Mo. 548, 31 S. W. 784, 34 L. R. A. 369).

Home Rule Charters.—Strict Compliance with Constitutional Provisions for Adoption of Charters.—In *People* v. *City of San Buenaventura*, 3 Pac. (2d) 3, the Supreme Court of California holds that non-compliance with section 8 of article 11 of the state constitution, requiring the publication in one or more papers of general circulation of a notice that printed copies of the proposed charter may be had upon application, invalidates all the proceedings. In the instant case every other requirement had been observed and the legislature had ratified the charter. Copies of the charter had been printed, and the local papers carried news items to the effect that they could be obtained by those interested, of which offer some fifteen hundred citizens took advantage.

Judge Langdon filed a vigorous dissenting opinion, in which he pointed out that under the California procedure a home rule charter is a statute of the state and that the duty is laid upon the legislature to reject the charter if the proceedings have not been regular in all respects. The decision of the court, he says, expressly overrules its earlier decision in *Taylor* v. *Cole*, 201 Cal. 338, 257 Pac. 40, in which the court upheld the adoption of a charter in spite of a failure of the proper officials to advertise the notice of availability of copies. In that case the court said:

> In the case before us, the Constitution placed upon the Legislature the plain duty of seeing that the proceedings by which the charter amendments were proposed were regular in all respects. If jurisdictional defects existed, it was the duty of the Legislature to reject the documents tendered as a whole and withhold ratification. The Legislature saw fit to accept the certificate of the defendant board and such other evidence as it may have taken and its conclusion that the election was regular is not open to question in court proceedings, at least in the absence of fraud.

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Discharge or Suspension of Employees.—Preference of Veterans.—In *McCabe* v. *Eno*, 177 N. E. 857, the Supreme Judicial Court of Massachusetts upholds the action of the defendant as superintendent of the water department of the city of Lowell in suspending the plaintiff from his position as meter reader upon the ground of "economy" and lack of sufficient funds for the payment of salaries and wages. By adopting the use of the mail for distribution of water bills the services of three of the seven meter readers were found to be unnecessary, and after notice and hearing the petitioner and two others were dismissed. It was also shown by the evidence that the annual appropriations for the department were insufficient to meet the current salaries and wages unless reductions were made in expenditures. Upon this showing of fact the court sustained the refusal of certiorari by one of its judges to review the action of the district court which had affirmed the act of the defendant.

The petitioner contended that his dismissal was illegal under the law giving preference to disabled veterans. He had been appointed in 1920, but had never filed with the commissioner of civil service the proof of disability and other material facts required by the law. The Massachusetts statute (G. L. c. 31, § 23, as amended by St. 1922, c. 463) gives preference in appointment only to those who qualify as disabled veterans. It has never been decided whether this applies to their continuance in employment, but in any event the plaintiff had failed to bring himself under the protection of the statute. "To the same effect, see *Rounds* v. *Des Moines*, 238 N. W. 428, decided October 20th, 1931 by the Supreme Court of Iowa."

PUBLIC UTILITIES

EDITED BY JOHN BAUER

Director, American Public Utilities Bureau

CONSIDER THE CASE OF LOS ANGELES.

The proof of the pudding is always in the eating! The test of public ownership is found in its achievements.

As promised last month, we shall consider the case of Los Angeles, and particularly its municipal power and light plant. We shall give a brief account of its development and achievements, but shall not present it as demonstrating the inevitable superiority of public over private ownership in general. We do, however, point to it as demonstrating that public ownership is not inherently inefficient, and that it has possibilities of success.

Los Angeles is the largest city in the country with a municipal electric light and power system, and which serves most of the territory and population.

The municipal system does not have a monopoly in the field at the present time. The territory is served by three distinct electric units: (1) the city bureau of power and light; (2) the Los Angeles Gas and Electric Corporation; and (3) the Southern California Edison Company, Ltd.

THE LOS ANGELES PROPERTIES

The municipal bureau serves about 58 per cent of the consumers and 79 per cent of the total area, while its sale of current is 69 per cent of the total used in the city outside of street railways operation. The Los Angeles Gas and Electric Corporation serves 34 per cent of the consumers, and supplies 28 per cent of the current. The company generally competes with the city bureau, but occupies mostly separate territory, and produces little power.

The Southern California Edison Company is the largest power operating company in the Los Angeles metropolitan district, but its distribution system in the city is smaller than that of the other two operating units. Its distribution lines are limited to the territories annexed to the city since 1922, and it furnishes a large proportion of the power distributed by the city bureau.

DEVELOPMENT OF CITY SYSTEM

The city system may be regarded as an outgrowth of the city water department, and is, in fact, under the same departmental control with the bureau of water works and supply, subject to the board of water and power commissioners.

Although the active beginning dates back to 1908 and there has been steady development of the properties, the present system really started only in 1922, when the city acquired by purchase the Southern California Edison properties. In the final contract of purchase, the city took over all the distribution facilities of the company within the then limits of the city, and agreed to purchase from the company all the power required beyond the city's own hydro-electric generation.

Since 1922, the city system has expanded rapidly, and has proceeded with active competition against the Los Angeles Gas and Electric Corporation. It has sought exclusive control of the electric field. It has both attempted to purchase the properties, and by legal effort, to eject the Los Angeles Gas and Electric Corporation from the streets, on the ground of expiration and inadequacy of franchises. It is trying also to purchase the Edison properties in the territory added to the city since 1922.

The rapid growth of the municipal system is due to the expansion of the territory covered by the city, and to the lowering of rates and consequent expansion in general use of electricity. The growth is indicated by the doubling of gross revenues since the purchase of the Edison distribution system. For the year ended June 30, 1923, the first full fiscal year after the purchase, the total gross operating revenues amounted to $7,763,000, compared with $15,295,000 for the year ended June 30, 1930. The doubling of revenues has been accomplished notwithstanding rate decreases which have been put into effect during the period.

THE TEST OF RATES

The first significant test of the efficiency of the municipal system, consists in the rates charged to the consumers. When all is said and done, the great majority of people are not much interested in abstract principles and policy as to form of organization—whether a public utility should be publicly or privately owned and operated. What they are interested in is the practical result—the rates charged for the service. If they get low rates, they do not care particularly about the form of organization or the relations of the service to any agency of ownership or control.

Domestic or residential rates for lighting and appliances furnish the best test of the municipal system. Power rates involve too many complicated factors and alternatives for simple comparison. The domestic rates in Los Angeles are considerably lower than in most large cities of the country. For the mass of residential consumers, the schedule is as follows:

	Cents Per Kwh.
For the first 35 kwh. per month per customer	4.8
For the next 140 kwh. per month per customer	2.5
For all additional current	2.0

This is an excellent schedule. It provides moderate rates for the ordinary users, and, besides, furnishes inducement for extensive utilization of current beyond the first block of 35 kilowatt hours, which is intended to cover only lighting and minor appliances. The rate of 2.5 cents for the next 140 kilowatt hours, makes possible extensive electrification of the household, including electric radio and refrigeration. The final rate of 2 cents makes attainable the use of electricity for cooking, as well as space heating under Los Angeles climatic conditions.

The schedule is subject to the further conditions of an ordinary minimum bill of 60 cents per month, and the further minimum bill for seasonal heating when the rated capacity for that purpose is in excess of 10 kilowatts; then the minimum monthly charge is 50 cents per kilowatt of total of such capacity, and the minimum charge is cumulative for the year.

The schedule is subject also to the further modification that the first block of 35 kilowatt hours applies to all residential installations having five or less standard lighting circuits. If there are more than five circuits, the first block at the 4.8 cents rate is extended by 5 kilowatt hours for each additional circuit. This modification is intended generally to extend the first block so as to include under practically all circumstances the ordinary lighting service. The further inducement rates at the much lower level, are reached earlier in the ordinary household than in the large establishments. The bulk of the residential customers, however, come within the simple classification, and only 3 per cent are affected by the additional circuit provisions.

As a matter of fact, none of the schedule modifications affects the mass of residential users. The net results are but slightly altered by the departure from the simple classification by blocks which reasonably meet the conditions of a systematic promotional rate. The city might well have kept to the simple form of rates, without the special provisions which make the schedule appear complicated unnecessarily.

COMPARISON WITH NEW YORK CITY

A simple application of the schedule shows substantially what the charges are for residential purposes. We may take the ordinary consumer at 40 kilowatt hours to include lighting and minor appliances; then the moderate user at 90 kilowatt hours, who has more extensive appliances, including refrigeration; and, third, the larger user at 300 kilowatt hours, who has also an electric range. The following are the monthly bills for the three customers, also the corresponding bill under the present rates prevailing in New York City:

	Los Angeles	*New York City*
40 kilowatt hours	$1.81	$2.55
90 kilowatt hours	3.06	5.05
300 kilowatt hours	7.68	15.55

This comparison shows readily that, throughout, the domestic rates are on a much lower level in Los Angeles than in New York City. The difference, however, becomes striking for the larger quantities of use. The New York City consumer is heavily penalized for additional appliances beyond ordinary lighting. The Los Angeles household can well afford the convenience of full electrification, including an electric range, at the rather modest bill of $7.68 per month. But the New York City housewife would shudder to pay $15.55 for the same service—over double the Los Angeles bill!

While this comparison between the two cities may not be valid in all respects because of differences in conditions, yet the differences are so great that it must be declared heavily in favor of the Los Angeles municipal system. And a comparison with other large cities would appear equally favorable wherever domestic rates have not been affected directly or indirectly by the standards set by municipal ownership plants.

The ordinary person comes in contact with the electric service only as a residential user, and the extent of this use depends upon the rates. In Los Angeles the rates make extensive electrification possible, while in New York and in most other American cities served by private companies the residential rates are prohibitive beyond lighting and minor appliances. The Los Angeles municipal bureau has met the conditions of residential utilization much more intelligently than have the private companies on their own initiative.

FINANCIAL RESULTS

The comparison of electric rates is, of course, not the only test of the efficiency of a municipal system. Other rates might be kept high and excessive so as to make residential rates low, for the sake of political appeal. There is the possibility also that all of the costs are not included, and that the low rates are obtained at the expense of the taxpayers.

These possible criticisms do not apply to the Los Angeles city system. Its commercial and power rates are low, and will compare favorably with the private rates in the larger cities. The city bureau, moreover, competes with the private companies, and is compelled to meet the competitive conditions in the industrial power field. The bureau, furthermore, has been separately organized, and has been compelled to bear all the costs of service, including operating expenses, maintenance, interest on investment, also amortization of investment. It has been financially more than self-sustaining at the low level of rates.

The second test of the efficiency of the municipal system, appears in the financial results that have been attained. In applying this test, we shall refer both to the earnings and to the capital account. Regarded from both standpoints, the city system stands as a striking monument to municipal achievement. We present a comparative statement of operating results for the last three years for which audited figures are available—for the years ended June 30, 1928, 1929 and 1930.

The revenues include gross earnings from all the services furnished by the bureau, governmental as well as private users. The operating expenses cover production, transmission, purchased power, distribution, commercial, and general and miscellaneous. In addition, there is the charge for depreciation and interest on bonds and other indebtedness. The total deductions include all the annual costs incurred by the bureau in furnishing service.

The net income above all annual deductions amounted to $4,225,000 for the year ended June 30, 1930, and was somewhat increased in 1931, although the completely audited reports for the past year are not yet available. This figure represents net profit from operation above all annual costs incurred by the bureau, including interest on investment. It constitutes surplus which has been used for the enlargement of plant, the improvement of service, and for other purposes of the bureau.

For the year 1930 the net surplus or profit was equal to over 25 per cent of the gross revenues. If, therefore, rates were cut down rigorously to the cost of service, there could have been a general reduction of 25 per cent in rates. The bureau has financial leeway for substantial further reductions in rates when the time for such downward revision seems convenient or expedient.

THE CAPITAL ACCOUNT

The financial results may be regarded also from the standpoint of the balance sheet or capital account. On June 30, 1930, the total cost of plant and equipment stood at $68,249,000. This is gross actual cost of properties now in use, without deduction for depreciation. The amount of depreciation reserve accumulated out of past

	1928	*1929*	*1930*
Operating revenues	$13,558,049	$14,737,763	$15,295,009
Operating expenses	7,023,274	7,528,079	7,761,378
Extraordinary charges	274,807	253,398	....
Depreciation	1,442,026	1,567,832	1,651,557
Interest	1,756,214	1,761,481	1,657,576
Total deductions	$10,496,321	$11,110,790	$11,070,511
Net income	$3,061,728	$3,626,973	$4,224,498

charges to operating expenses, amounted to $6,053,000. The net cost of plant and equipment thus stood at $62,196,000, and the total assets less depreciation reserve amounted to $73,480,000.

Against the net investment of $62,196,000 in plant and equipment, and against the total net assets of $73,480,000, the bureau had outstanding only $39,294,000 of bonds. It had various current obligations slightly in excess of $2,000,000. It had also an investment of $3,720,000 from proceeds of taxation, and $209,000 premiums on bonds. Finally, it had an investment of surplus amounting to $28,249,000 accumulated from past earnings. This had increased from $1,924,000 in 1922, when the Edison distribution system was acquired; an increase of $26,325,000 in eight years, or an average of $3,290,000 a year. During the same period, the city issued $24,000,000 plant bonds for extensions and improvements. The capital additions of over $50,000,000 were thus financed more than half from surplus since the bureau has been engaged solidly in the electric business.

These financial results stand as final proof of the efficiency of the Los Angeles municipal operation. Notwithstanding the low level of rates, the bureau has made large provisions for depreciation, and, as a whole, has built up 45 per cent of its new plant and investment out of earnings. These are solid figures which cannot be explained away. They will stand comparison with any private system in any city in the country.

The excellent showing is due to the low level of costs throughout. This applies particularly to distribution, general and miscellaneous, and interest on investment. It is in these groups of cost that municipal economy is chiefly attainable, in the saving of overheads and fixed charges, and it is here where private operation is likely to pile up excessive costs when not restrained by competitive conditions.

There is one cost element, taxes, which the city bureau does not incur, and which often takes 10 per cent of the revenues by the private companies. But even if 10 per cent of the revenues had gone for taxes, there would still have been a large annual surplus, amounting to 15 per cent of the gross revenues in 1930, notwithstanding the low rates.

PLANS FOR THE FUTURE

Besides the excellent results as shown by expansion of the system, the low rates, and the financial results, the municipal bureau has also planned for the future to provide an adequate supply of electricity for distant needs of the city and adjacent territories.

The city has the opportunity for developing additional power from three sources: First, from the Sierra Nevada Mountains, where the bureau is making a preliminary investigation in several locations; second, from steam plant pending the bringing in of additional water power; and, third, from the Boulder Canyon project of the federal government on the Colorado River. At present, the city sells much more than it produces, and it purchases power from the Edison Company. The amount of purchase for the year ended June 30, 1930, was 483,969,000 kilowatt hours; the total power generated was 266,077,000 kilowatt hours; total power, 750,046,000 kilowatt hours.

The city has entered into a contract with the federal government for Boulder Dam power.

With the further Sierra Nevada developments, the city will have available an abundance of power for the indefinite future, and it has recourse to steam power at low fuel costs to an indefinite extent that may be required. It has assumed the responsibility of furnishing power for the various needs of the community, and, on the basis of past performance, will meet handsomely its obligations.

CITY WATER SYSTEM

The municipal water system also has met its responsibility to the community. It first reached out for the Owens Valley development in 1906, and thus indirectly started the city electric policy. The city forms a part of the Metropolitan Water District. The cities forming the district, at a special election in September, voted the issuance of $220,000,000 bonds for the construction of aqueducts and other facilities to bring Colorado River water to the Los Angeles territory.

All the large daily papers in Los Angeles actively supported the municipal and metropolitan district efforts to provide an adequate future water supply. But, curiously enough, all but one or two are opposed to the extension of the electric system. Likewise, other conservative interests fully support the city water system, and object to the city electric policy. The one utility has by common practice been organized publicly, while the other is prevalently private in form.

NOTES AND COMMENT ON MUNICIPAL ACTIVITIES ABROAD

EDITED BY ROWLAND A. EGGER

Director, Virginia Bureau of Public Administration

A Proposal for French Financial Reform.—From 1869 to 1913 the expenditures of French departments increased from 192 millions to 614 millions of francs, while those of the communes mounted from 450 millions to 1,039 millions. During the same period the public debt of the sub-national authorities, while not increasing in the same portion, virtually doubled. From 1913 to 1928, however, the increases in expenditure made the rather normal increases of the preceding period appear extremely moderate. In the several years immediately preceding 1928 communal expenditures consistently exceeded 10 billions of francs.

The natural demands for financial reform have been met at least in large measure by the Piétri project, which is based in part on the recommendations of the inter-ministerial commission of 1920 and partly on those of the Dausset committee. The proposal may be treated as it provides for reforms in (a) revenues and (b) expenditures, and summarized as follows:

RECEIPTS

1. Replacement of the municipal surtax (*centimes additionels*) on real property by a single land tax, to begin in 1935, after the cadestral revaluation ordered by the decree of April 16, 1930.

2. Creation of a tax upon improvements, levied not upon the rental value, but upon the letting or use value, and which would be calculated upon a scale which would be progressive according to the letting value, and degressive according to the population.

3. Increase of the taxes fixed in business and professional licenses and the diminution of the proportional levies.

The projects have been worked out in considerable detail. It is recommended, for example, that for the enforcement of the business taxes which are, in effect, what the third class of imposts amount to, eight classes of professions and nine population classes be created, although it is admitted that for semi-rural areas a proportional tax doubtless will be necessitated. It is also not contemplated to apply this base to large stores, banks, etc., because of the revenue decline which such application would cause.

EXPENDITURES

The portions of the law relating to expenditures are concerned primarily with functional reallocation. It is proposed, for example, to transfer practically the entire cost of the police, which is at present an item of the departmental budget, to the state. Likewise, the salaries of library and archives workers and officials are shifted to the state, as are also those of the primary and departmental inspectors in the divisions of public education. In the administration of justice, the state proposes to assume the payment and maintenance of all tribunals, and the maintenance of all prisons and places of detention. All property used in the administration of justice is under the act turned over to the national government. The state further assumes responsibility for all salaries and indemnities allowed to prefects, sub-prefects, general secretaries, and councillors of the prefecture. The state proposes also to assist by heavy subventions in meeting departmental mandatory expenditures which are, for the most part, social assistance in the field of health and welfare, but seeks to establish wherever possible the departmental character of these expenditures and to secure their translation to the departmental budgets. The departments themselves are specifically charged, however, with the mandatory expenditures involved in the provision and maintenance of prefectoral and sub-prefectoral offices, primary and normal schools, debt service, etc.

The communes also benefit through these functional rearrangements. The state incorporates in its own budget a number of items of general interest hitherto carried by the communal authorities. Among these are census expenditures, costs of elections, expenditures relative to civil cases, compensation of tax collectors, payment of commissioners of police, indemnities of teachers, expenses of justices of the peace, of arbitral councils (*consiels de prud'homme*), and of local chambers of arts and manufactures. It is proposed furthermore to subsidize those portions of the service of acquiring and maintaining historic monuments which fall within the departmental or communal jurisdiction. In further attempting the virtually complete transfer of social assistance expenditures to the state, the act suppresses communal participation in hitherto mandatory expenditures excepting only the compensation of mayors and personnel expenditures for *matériel* (schools, libraries, communal buildings, cemeteries, connecting roads), and pension and debt service.

This, in a very broad and general way, is the fundamental idea and method as outlined in *Le Mouvement Communal* for September last. It is a point of no little significance that in many American states surprisingly similar proposals have been made within recent months, particularly as regards functional reallocation.

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The City and Port of Manchester.—Last month in this REVIEW Mr. Marshall Dimock discussed the possibility of mixed enterprises as a solution to the problem of regulation of power in electricity supply.

The September issue of the MUNICIPAL REVIEW, the official organ of the British Association of Municipal Corporations, describes in very interesting fashion the evolution of the Port of Manchester, a mixed enterprise which is controlled and operated by the Manchester Ship Canal Company.

The composition of the board of the Ship Canal Company is almost equally divided between the representatives of the shareholders and those of the municipality. Ten directors are elected by the shareholders and eleven by the city council, constituting a directorate of twenty-one persons, of which the chairman is elected by the ten representatives of the shareholders, and the deputy chairman chosen by the representatives of the municipality. Representatives of the municipalities are necessarily members of the city council and they are automatically retired from the board of the ship company at the termination of their electoral mandate, which is for aldermen six years and for councillors three years.

Prior to the construction of the Manchester Ship Canal, which is thirty-six miles long and was completed only in 1894, Manchester was accessible only to barge traffic and the smallest type of coasting vessel, and to this latter type only when river conditions were extremely favorable. In translating Manchester into a port the canal provided a densely populated and highly industrialized area with port facilities, which caused probably the most rapid growth of any city in the British Isles.

Agitation for the construction of the canal began as early as 1877, and in 1882 the municipality took up the question in earnest. Private bills, then as now, however, were quite expensive parliamentary procedures. Toward the end of 1882 a guarantee fund of $125,000 was underwritten, to which many of the city officials subscribed as individuals, although the municipality as such contributed nothing. The promoters of the canal company subsequently turned their attention to the raising of a fund of a half million dollars for parliamentary expenses and deposits, and proposed that the municipality participate in this fund. In November of that year the mayor of the municipality presented the resolution which had been approved by the committee to the council that, "The undertaking and administration of the canal should be vested in a trust for the benefit of the public in general and that Manchester and other municipal bodies and local authorities in the neighborhood of the proposed canal should be authorized to contribute to the cost of, and to take part in, the supervising and execution of the work and its general management."

December of 1882 marked the proposal of the first bill, unaided by any grants from the central government. The capital of the company was fixed at $30,000,000 in 600,000 shares of $50 each. Twenty prominent men of the Manchester area were jointly and severally made responsible for the parliamentary deposit of nearly $1,250,000. The bill provided for the creation of a trust upon the application to parliament of local authorities representing a rateable value of twenty million dollars. This act was refused by the examiner on technical grounds, and although the bill passed the commons it was rejected by the lords. The circumstance of the failure of this act is held to be largely responsible for the participation of the municipal corporation as such in the Ship Canal Company, because at this time the promoters of the canal were not in a position to finance the parliamentary expenses of another bill.

The second bill provided for the capitalization of the Ship Canal Company at $40,000,000, and the councils of Manchester, Salford Town, Oldham and Warrington contributed from public funds the amount necessary to meet again the parliamentary expenses for the new bill.

Another factor which probably extended the share of the municipalities' expense in the canal company was the inability of the company to offer interest to investors during the period of construction. Another was that the $50 share price fixed by parliament was a deterrent to the small investor. The flotation of the loan in spite of the enthusiasm throughout the area which the canal was to serve was extremely difficult, and fiscal difficulties necessitated the issuance of $20,000,000 worth of preferred shares. A list of shareholders published in 1887 indicated that the stock of the canal company was held by over 39,000 different people. Before the canal was completed, however, floods in the Mersey and Irwell Rivers caused damages aggregating over $5,000,000, and it was necessary again to borrow in order to complete the project. In securing parliamentary permission for this later loan the house of lords eliminated Oldham and Salford as underwriters in the new loan.

At the present time the authorized capital of the company is approximately $107,500,000, of which less than $100,000,000 has been issued. Of this the amount held by the city of Manchester in preference stock and mortgage debentures is approximately $30,000,000, which amount includes besides original loans, a capitalized sum representing arrears of interest. Interest on the loan and the dividend on the corporation's holding of preference stock amount to approximately $1,000,000 a year. Dividends were first paid by the company in 1915, and have not been passed for any year since.

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Building Control in Europe.—The International Federation of Construction and Public Works has published recently a very interesting summary of the status in the several European countries of building permits and governmental control of building operations.

Germany. Building regulations in Germany as in the United States vary not only from state to state within the *Reich*, but also between the towns and communes within the state. Generally speaking the builder is not required to secure official approval of his designs and his building project, but where the plans present technical difficulties, Prussia orders that both designs and calculations be approved by an official engineer, in case the examination and approval of such project does not fall under the jurisdiction of the building police. Much agitation is current in Germany to eliminate whatever official examinations there are and to relegate such inspectional functions to competent engineers not attached to the government—presumably certified by the National Architectural Association, although it seems unlikely that such a measure will gain any considerable support.

Austria. As in Germany, the procedure of building operations control varies greatly between the different local government jurisdictions, but the method of supervision is the same. Private persons are required to apply to competent authorities for building permits and to submit their plans for approval by these authorities. These plans are examined by the officials to secure conformity to general administrative regulations issued for building construction, including such points as strength, sanitation, fireproof construction and even consonance with the general architectural scheme and the æsthetic value. Supervision is under the control of the local authorities who examine into the costs and inspect the foundations of the building, the general construction and in fact all of those parts which cannot be adequately tested after the building is finally completed. After the building is completed a permit for occupation must be secured before habitation is permitted. The designated authorities make a final general inspection to check the manner in which the plans that they approved have been carried out, to inspect the sanitary equipment, to investigate the precautions against fire and to test the walls and plaster for stability and resistance to atmospheric pressure. In other words, most of the Austrian local government authorities seek to secure not only safe construction but construction that is comfortable and beautiful as well.

Denmark. In Denmark there is a General Statute setting up tenets of building construction, but in addition every commune may pass by-laws so long as they do not lower the standards set by the General Statute. Inspection and enforcement of both the statute and the by-laws are generally in the hands of the local authorities, although primarily reliance is placed upon the professional standards of private architects, who plan and supervise the construction.

France. France has been in the process of regulating building construction since 1607 and has gathered a great abundance of regulations on this subject. A royal edict of 1607 does in fact still govern questions of boundary lines; a decree of 1852 mandatorily applying to the streets of Paris is optional for other towns and communes. The law of 1902 concerning the enforcement of communal regulations and the statute of 1924 which insures the consonance of the proposed construction with the town planning scheme are all still in force restricting and governing the construction of buildings. In addition the general office of construction and public works, a semi-official association of architects and contractors, has set up a special bureau having as its function the more effective private control and supervision of building operations. The result of this bureau's work in its first two years is extremely gratifying. Several draft schemes are at present in the committees of parliament designed to secure more scientific and efficient control and supervision of building operations by official agencies in the future.

Italy. In Italy private owners who wish to build a house are required to obtain a building license which is granted by the municipal authorities after a thorough inspection of the plan of construction by a body of building experts. The inspection covers chiefly the matter of conformity with the town plan and the observance of its regulations and the enforcement of the municipal ordinances concerning the height of the house, courtyards, house fronts, etc. These matters are viewed not only in the absolute, but also the architecture of surrounding buildings, sanitation, and artistic merit are factors which the municipal authorities are privileged to consider in granting or withholding the license. Those who start to build either without securing a license or who build along lines different from those approved by the authorities on the accepted plan may be punished by stopping the work itself and cancelling the license. The sanitary laws of the kingdom provide that an occupation permit must be secured before habitation is permitted. In the largest cities it is required that the plans be certified not only by the landowner or builder but also by the engineer or architect who is to manage the work. In smaller municipalities and for minor constructions, the plan may be certified and the management undertaken by a surveyor or building expert. The owner must give also the name of the contractor to whom the building operations are awarded and who can indicate his ability to undertake such construction. It is interesting to note that all structures of reinforced concrete are submitted to special tests through the entire jurisdiction. The professions of engineer and expert are regulated at the present time by special statutes which, while protecting the use of the professional title, delineate the various professional qualifications which distinguish and differentiate the field of action of engineers and experts respectively.

Greece. In Greece the authorities control not only the plans of houses to be built by private persons, but also the actual work of construction. In practice however this provision is impossible of enforcement in the larger urban centers, and the municipality may accept in lieu of official supervision the employment by the builder of an approved architect or engineer to superintend the construction. This officer makes affidavit at the city planning office to the effect that he assumes the obligation and responsibility of conforming not only to the plans of construction which have been previously approved by the municipal authorities, but also to the provisions of the municipal building code, as well as the rules and requirements of his national professional organization, the latter applying chiefly to matters of ethics in securing honest construction, etc. It is interesting to note that if the builder himself seeks to alter the plan without the consent of the authorities or not to observe the provisions of the local building code, the superintendent whom he employs is under the law compelled to resign and send a written declaration to this effect together with his reasons to the authorities, and that only by so doing is he absolved from any further obligation and responsibility in the construction.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY RUSSELL FORBES

Secretary

Recent Reports of Research Agencies.—The following reports have been received at the central library of the Association since September 1, 1931:

California Taxpayers' Association:
Report on the Fresno County Schools.

Massachusetts Institute of Technology:
An Outline of the Municipal Refuse Problem.

Bureau of Efficiency of the County of Los Angeles:
Survey of the Department of Forester, Fire, and Game Warden of the County of Los Angeles, California.

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Executive Committee for 1932.—At the annual business meeting of the Association held at Buffalo on Monday evening, November 9, the secretary reported the result of the recent election of the new executive committee. The ballots were opened and counted by the Proportional Representation League of Philadelphia, which reported the following as having been elected: Harry H. Freeman, Robert M. Goodrich, Luther Gulick, Walter Matscheck, and Lent D. Upson.

*

Change in Secretaryship.—The executive committee for 1932 organized by reëlecting Harry H. Freeman as chairman, and by electing Paul V. Betters, Institute for Government Research of the Brookings Institution, Washington, D. C., as secretary-treasurer. Mr. Betters' selection as secretary-treasurer followed the resignation of Russell Forbes, who has held the position continuously since 1926.

All correspondence with reference to Association activities should hereafter be addressed to Paul V. Betters, 722 Jackson Place, Washington, D. C. Mr. Betters will hereafter edit this monthly section of *Notes*, and reports on activities from the various member organizations should be sent directly to him.

Mr. Betters needs no introduction to the members of the Association. He is a graduate of the University of Minnesota and the School of Citizenship and Public Affairs of Syracuse University. He has for the past two years been a member of the staff of the Institute for Government Research of the Brookings Institution, has taken part in a number of important state and county surveys, and has already established a reputation as a prolific and forceful writer. With Darrell H. Smith, he is joint author of *The United States Shipping Board*, one of the service monographs of the United States government published by the Institute for Government Research. He is also author of two other monographs on *The Personnel Reclassification Board* and *The Bureau of Home Economics* in the same series. Mr. Betters is author of a very important publication just being issued by the Municipal Administration Service on *Federal Services to Municipal Governments.* He has also found time during the past three years to contribute a number of articles to *The Public Utilities Fortnightly* and to other magazines.

In his capable hands the secretarial duties of the Governmental Research Association will be well cared for.

*

Baltimore Commission on Governmental Efficiency and Economy.—The Commission has been called upon by Mayor Jackson to assist his new administration in studying various departments of the city government. The Commission has already done a great deal to justify its existence and to realize the aims of its founders. Beginning in 1930 and to date it has prepared and submitted to the city officials and to the public more than fifty reports on administrative conditions. Its principal studies and recommendations made to Mayor Broening were: (1) survey of the city finances with the problems of debt limit, peaks in the cost of debt surveys and forecasts of the trends of assessment and revenue, (2) study of budgetary problems, and (3) purchasing and storing for the city government.

As a result of its efforts, the Commission has saved for the taxpayers of the city an additional levy of not less than ten cents for next year, has forestalled a further additional annual levy of between thirteen and fifteen cents during the next few years, and has indefinitely postponed an annual levy of approximately thirty-five cents for new loans.

D. Benton Biser, first director of the Commission, has now increased his staff by adding Edwin M. Talbott as accountant, and Misses Charlotte J. Erthal and Olga F. Spencer as staff investigators.

*

California Taxpayers' Association.—A study of street lighting costs in the city of Los Angeles has just been completed by California Taxpayers' Association. This study, Association Report No. 168, points out the need for further study, as it does not attempt any inter-city comparisons and is for that reason not entirely conclusive.

The study brings out the following conclusions:

In Los Angeles a separate assessment for maintenance is made each year for each of several hundred districts. This leads to very large incidental costs, most of which could be avoided if all lighting were paid out of general taxation as is done in several adjoining cities. On the other hand, a general tax may not distribute the cost as equitably as an assessment.

There is some difficulty involved in consolidating the small original lighting districts into larger ones, but progress is being made in this direction with resultant economies of operation. The street lighting bureau should be encouraged to continue its program of consolidation as rapidly as possible.

The great variety of post heights and designs now in use could be reduced by the adoption of a series of standard designs. Such a unification would improve the appearance of the streets and should reduce the cost of installation and maintenance.

The present method of installing ornamental lights upon petition of property owners does not permit a comprehensive plan of city lighting. Petitions are circulated by the manufacturers of patented light posts wherever signatures are obtainable, and the result is a patchwork of small districts with different types and sizes of posts. There is a constant tendency to promote a more expensive installation than the district requires or can afford.

Further and more detailed conclusions can only be drawn when comparable data for other cities are available. It is felt that this report represents a first step into a difficult and little known field, and it is hoped that as such it will be of value even though it cannot furnish the answers to many of the questions it suggests.

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Schenectady Bureau of Municipal Research.—The work of the Bureau during the last month has centered about the 1932 budget which the law requires to be complete by the last day of October.

In view of the widespread unemployment among both property owners and renters, as well as short weeks and other reduced income, our Bureau recommended a reduction in all city salaries and wages where legally possible. A study was also made of the unnecessary positions in the city forces.

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The Stamford Taxpayers' Association, Inc.—Most of the work of the Stamford (Conn.) Taxpayers' Association during the past few weeks has been devoted to agitation in behalf of a favorable vote on the question "Shall the City of Stamford Change its Present Form of Government?" The result of the referendum on November 2 assures a change. A choice between a strong-mayor charter and a council-manager charter will be made by the voters at a referendum in the coming spring.

NOTES AND EVENTS

EDITED BY H. W. DODDS

Charter Committee Again Wins Control of Council in Cincinnati.—At the present writing, Cincinnati appears to have chosen five Charter councilmen and four Republican councilmen in the P. R. election on November 3, and thus retains control. The total vote of 128,630 was much lighter than that of 145,450 cast in 1929. There were twenty-eight candidates. Nine were Charter, nine were organization Republicans, eight were Labor candidates, and two were Independents. The quota to elect was 12,228. The only candidate to receive a surplus was Russell Wilson (Charter), the present mayor of Cincinnati. His large vote of 30,328 is a great tribute to his ability and popularity. About 87 per cent of his surplus went to other Charter candidates. The candidate on the Republican ticket receiving the highest vote was a Negro, Frank Hall, who received 11,690 first choice votes. Hall ran two years ago as an Independent and developed considerable strength before he was eliminated. At this stage of the count, he is certain of election.

The Charter ticket had three sources of opposition. The Republican organization campaigned largely on a revaluation of real estate in the city and county made by the county auditor. The Labor group campaigned against the Charter candidates, calling them a public utilities gang, though they made no progress on this issue as electric light and gas rate ordinances passed by the Charter council have reduced the rates. The first choices of all eight Labor candidates were only slightly more than half a quota. The third source of opposition was a disgruntled organization Democrat who used the radio freely.

Probably the reappraisal issue, which in reality should never have been an issue, was the most confusing element injected by the Republicans. The reassessment increased the valuation of realty $8,000,000 which is about one per cent increase on the old valuation. With the total tax rate reduced from $22.10 per thousand to $20.18 per thousand, the average home owner will pay less in taxes next year than formerly, but the radio campaign of the Republican organization and its house-to-house canvass by paid workers who circulated all kinds of misleading information made most people believe they would have to pay more taxes. Real estate assessment is a county function and was carried out by the county auditor. The city government had nothing to do with it, and knew nothing about it. It could not possibly be considered a logical issue in the campaign, but the Republican organization managed to drag it in.

This will be the first time in four elections under the new charter that the Charter group has not gained six seats. However, with five seats, it retains a majority, and the Charter government can continue its program.

EDNA STROHM.

* * *

Cleveland Deserts the Manager Plan.—Cleveland, after eight years as the largest city operating under the manager plan, returns to the strong-mayor form of government on November 9 by virtue of the so-called Danaceau amendment which was adopted on November 3 by a vote of 61,267 for the amendment with 51,970 against.

Three times, mayor plan amendments had been rejected by close margins. On this occasion forces of the League of Women Voters, the Citizens' League, the Charter Defense Committee (a group of 80 prominent citizens organized to fight the amendment), the Chamber of Commerce, the three leading newspapers and the Republican organization were arrayed in defense of the city manager charter. The Democratic organization carried the burden of the charter amending group.

Until ten days before the election the anti-amendment sentiment was predominant. Then things began to happen. Former city manager William R. Hopkins, a candidate for council, attacked Republican boss Maurice Maschke, charging him with tyrannical control of city council and vicious practices of political plundering. Then Boss Maschke, contrary to the custom of political bosses, replied to Hopkins' attack in a public address by telling of the political intrigue that goes on behind the scenes at the city hall. Though Maschke did not intend to hurt the city manager cause, this speech certainly did it no good.

Next came a week of investigation of policy rackets and gambling by the office of the county prosecutor which some believe was largely a political gesture to aid the Democrats in their fight for the amendment. These factors, together with the general political and economic unrest of the times, were responsible in a large measure for the success of the amendment.

Attorney Wendell A. Falsgraf has already instituted a taxpayer's suit to prevent the acceptance of the charter amendment on the grounds of its invalidity as contended by the Citizens' League before the election.

The victory of the mayor plan means that, unless legal proceedings should intervene, the present city manager, Daniel E. Morgan, retires on November 9; the present law director, Harold H. Burton, becomes acting mayor; January 12, 1932, there will be a primary election to select two candidates to run for mayor; February 16, 1932, the election of a mayor; and the following day, the installation of the newly elected chief executive.

Former city manager William R. Hopkins was elected as a member of city council and is considered as a possible contender in the coming mayoralty race. The retiring city manager, Daniel E. Morgan, is also prominently mentioned as a favored candidate for mayor.

Sherwood L. Reeder.

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Voting Machines Give Satisfaction in Philadelphia's Mayoralty Election.—Philadelphia's municipal election of November 3, in which J. Hampton Moore, who was the first mayor under the city's present charter, was elected mayor for the second time by a plurality of 330,000, was with two exceptions, the most routine election of the kind in decades.

The two exceptions were the contest for the minority county commissionership which was won by the Vare organization by means of throwing votes to John O'Donnell, one of the Democratic candidates, and the use of voting machines in twenty-two wards. Voting machines functioned as smoothly and precisely as did the Vare organization.

It is remarkable that with municipal finances in the condition they are, calling for a real uprising of taxpayers, that the election should be so perfunctory. Before the primary there was a threat of a fight. This threat, however, dissolved into thin air when the Vare organization espoused the cause of Mr. Moore. Most probably the extreme difficulty of raising campaign funds this year operated to prevent a factional fight in the organization and stilled the voice of independents. Furthermore, many leaders and voters felt and hoped that Mr. Moore, the beneficiary of peculiar political and economic conditions would, when in office, stand out for economy. In a word that was all the rank and file could do about it. In addition to electing a mayor and councilmen the electors put into office a sheriff, a district attorney, a receiver of taxes, a recorder of deeds, a clerk of quarter sessions, magistrates and a congressman to succeed the late George S. Graham.

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Trouble with Voting Machines in Pittsburgh.—A new type of voting machine, manufactured by a competitor of the company whose machine has been accepted in New York and Philadelphia, was used to a limited extent in Allegheny County (Pittsburgh) in both the September primaries and the November election, but their performance was quite unsatisfactory in the primaries and to a lesser extent in the general election.

In the primaries 186 machines were placed in use in 93 districts, one hand-operated and one electrically-operated machine being sent to each voting place. An accuracy test made of each machine the evening before the primaries did not suggest that extensive confusion was to result from their use. In 54 districts (all in the third-class cities) paper ballots were substituted early in the day, while in the four Pittsburgh wards using them (39 districts) many machines jammed. Trouble was experienced with both the hand and the electrical machines.

Company representatives charged deliberate sabotage had been committed on the hand machines in one ward, but the district attorney after investigation declared he found no evidence to substantiate the charge. Failure of the electrical machines, the manufacturers declared, was due to the inexperience of the voter.

The Citizens' Voting Machine Committee of Allegheny County, a volunteer organization that has advocated the use of voting machines, was of a different opinion. In secret session the committee examined affidavits and other sources of information, and then issued a statement expressing the belief that failures were due to inherent defects in the machines themselves.

The president of the manufacturing concern countered that the declaration was "absolutely malicious, mendacious, and slanderous," and he intimated a libel suit. His machines had operated successfully in two other Pennsylvania counties, he said, but this statement seems an exaggerated one in the face of press dispatches and other sources of information. No conclusive report has been made by the voting machine investigation committee of the state senate, which held hearings on the Allegheny situation some weeks after the primary.

In the November election 206 machines were used in 103 districts. In 71 districts, where the bureau of elections had intended to use machines, candidates of more than nine parties were in the field for some office or another preventing the use of the machines. County election officials and the manufacturer claim that failures occurred in only eight districts out of the 103, but the League of Women Voters insist there were failures in 19 precincts. Thirteen of these were where the machines had not been used in the primary and three more were districts in which paper ballots had been substituted on primary day.

What the company has tried to do is build a machine which is immune from post-election frauds. Their principle in this respect is a good one, but the use of the machines in Allegheny County would indicate that its delicate mechanism makes frequent breakdowns likely, particularly when an inexperienced or an excited voter faces it. In some districts politicians were equal to this emergency by being over-zealous to aid voters in recording their preferences, and this practice is not likely to subside quickly. Allegheny County's future experiences with the use of the machine should have more to reveal, for, even yet, it has been used only in about one-sixth of the precincts of the county.

Elbert Eibling.

University of Pittsburgh.

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Detroit Voters Show Discriminating Judgment.—Detroit electors enthusiastically vindicated the Detroit system of government, including free expression of the electorate, by the balloting on November 3. After a two months' campaign preceding the primary of October 6 and the election, with an excess of plots and conspiracies well financed by under-cover political forces, the voters reëlected Frank Murphy Mayor by a two-to-one majority over his opponent, Harold H. Emmons; retained the three most independent and competent members of the council of nine; defeated the undesirable council bloc of five; showed remarkable discrimination in voting on four special questions; and with nearly 900 voting precincts failed to turn up a single instance where violation of the election laws, in spirit or otherwise, was even charged.

Mayor Murphy's reëlection had been earned by his satisfactory administration during the past year—he having been chosen in an emergency recall election held September 7, 1930. Despite many criticisms of his "dew and sunshine" policy in handling public welfare relief, the majority were convinced that he was sincere in procuring sane fiscal economies. A broadside sectarian appeal on behalf of his opponent, led and promoted under auspices of the Ku Klux Klan elements, was rebuked by church folk of all creeds to the discomfiture of the opposition candidate. In this transaction John Gillespie, an old-time spoils politician, with plenty of money, suffered defeat both in the mayor contest and in the elimination of the council bloc of five which he had controlled during the past two years.

The new council will be led by Frank Couzens, son of United States Senator James Couzens; the son has met with fair success holding two appointive positions—city plan commission and street railway commission—and now becomes president of the council, acting mayor and one of the three city election commissioners.

Two former mayors, John C. Lodge and John W. Smith, rate high in the council returns. Councilmen Castator and Hall were rewarded for meritorious service. The undesirable leadership of the Federation of Labor, a distinct minority, was definitely rebuked by losing all four of its favorites in the council race: Callahan, Dingeman, Walters and Williams.

Two charter amendments were adopted by heavy majorities: one providing for more elastic financing of the municipally owned street railway system, and the other clarifying with increased limitations the procedure on condemnation awards. Voters vigorously approved a new system of selecting jurors in the Recorder's Court, as referred to them by state law passed last spring. After five years of campaigning, the voters decisively defeated the Miller-Schorn scheme for making an experiment in modified rapid transit within the street railway system—both practically and legally the plan was rejected as undesirable, if not quite impossible of serious consideration.

The Detroit Citizens' League was especially happy in results of the election. The League endorsed as preferred or qualified all nine of the councilmen-elect, and its recommendations concerning mayor and the special questions, with one exception, ran parallel with the opinions of the voting majority. Best of all, officers of the League feel that the election abundantly vindicates Detroit's nonpartisan system of elections, in which all voting is city-wide, all officials elected at large without ward or party distinctions.

W. P. Lovett.

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Victory for Independents in Pittsburgh.—With the unanimous support of the city press, the independent movement in Pittsburgh and Allegheny County gained a decisive victory at the November election. Its significance does not lie in the ratification of the Republican nominations for city council (three of four of whom are opposed to Mayor Kline's machine), but rather in the successful fight of the independents for control of the board of county commissioners. Interest in the election centered almost entirely around this contest.

The board contains three members elected for four-year terms under the limited-vote provision of the law, which assures one "minority" member. The primary race between the present independent commissioner, Charles C. McGovern, and the present county boss, Commissioner Joseph G. Armstrong, was so close that the former feared being counted out by the bureau of elections, a subordinate office under the board. Therefore, he with former state senator C. M. Barr preëmpted the party labels of "Independent" and "Square Deal" for use in the November election. When the recount board returned Mr. McGovern victor in the primary his name appeared on both the Republican and the two independent tickets.

As the campaign progressed, a breach widened between him and the other Republican nominee, state senator William D. Mansfield. While Mr. McGovern openly supported Mr. Barr and was linked with him in the independent organization, the city and some borough machines clandestinely prepared to support the Democratic candidate, David L. Lawrence, in preference to Mr. McGovern. Behind the scenes, W. L. Mellon, field marshal of the Mellon interests in politics aided the Lawrence hook-up.

Election returns showed the spectacle of the Democratic candidate running very close to Mr. Mansfield in the controlled wards of the city, in some of which registered Democrats are very scarce. Mr. Mansfield led the field, but with fewer votes than he received in the primaries when he was the recipient of much independent support. Mr. McGovern was only 7,000 votes behind him, and Mr. Barr won over Mr. Lawrence by a plurality of 8,000. Thus, the majority party on Allegheny County Commission is now independent Republican. The entire new board will be Pinchot adherents, with two, McGovern and Barr, of his advance guard and holding real independent records. Students of metropolitan politics will look far to find a more encouraging victory for responsible government and clean elections.

Elbert Eibling.

University of Pittsburgh.

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Recall Movement Against Mayor Porter of Los Angeles.—Immediately following his dismissal on October 27 by the Los Angeles health commissioners, on grounds of insubordination and disrespect, Dr. George Parrish commenced proceedings to recall Mayor John C. Porter. The mayor had made it clear that he had hoped to have Parrish removed ever since he assumed the mayoralty in 1929. Two weeks after the petitions began to circulate, Parrish headquarters averred that they had already obtained one-third of the requisite signers. All canvassing is being done by unpaid workers, it is claimed. The mayor's supporters contend that nothing will really happen even if the requisite number of signatures should be obtained.

Amidst all this pother, the personality of the broadcasting parson, Robert Shuler, figures prominently. The mayor is said to be merely Shuler's tool. Moreover, the police department and the department of water and power are alleged to be suffering from the asserted incompetence of the mayor, and from his inability to withstand minority domination. In defense Mayor Porter states that Chief of Police Steckel is the best chief Los Angeles has ever had. All of the evening papers have declared war on this complacent belief, however. Meanwhile a commission appointed by the mayor is investigating the department of water and power to disprove the assertion that the mayor's alleged private utility sympathies have jeopardized the municipally owned services. The council, a majority of which are hostile to the mayor, has decided to conduct its own inquisition. The incumbent's term will not expire until May, 1933.

MARSHALL E. DIMOCK.

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U. S. Chamber Considers Cuts in Public Expenditures.—Increasing the purchasing power of the tax dollar by means of the elimination of waste and inefficiency in public administration was the keynote of a series of recommendations made to their organizations by executives of eleven national and regional agencies dealing with questions of public finance, meeting informally at the Brookings Institution, Washington, D. C., Friday, October 23, at the call of the Finance Department of the Chamber of Commerce of the United States.

Organizations participating in the conference were: Brookings Institution and Institute for Government Research, Washington; Finance Department, Chamber of Commerce of the United States, Washington; Detroit Bureau of Governmental Research; Governmental Research Association, New York; Municipal Administration Service, New York; National Association of Real Estate Boards, Chicago; National Committee on Municipal Standards, Chicago; National Institute of Public Administration, New York; National Municipal League, New York; National Tax Association; and Public Administration Clearing House, Chicago.

The group was opposed to horizontal and ill-considered cuts in public expenditures made in response to blind pressure for wholesale reduction of budgets. Such cuts, it was felt, resulted too frequently in unwise parsimony in government, particularly when necessary services were unduly curtailed, and might tend to increase both governmental and private expenditures in the future.

The need for intelligent, well-considered, and well-balanced programs for reducing public expenditures was stressed. It was agreed that in essential services much waste might be avoided. Curtailment or temporary elimination of relatively unimportant activities might effectively reduce expenditures in many communities.

Concrete recommendations were made relating to budget systems, public debt, consolidation of local units and assessments.

To assist citizen agencies in their work upon problems of local budgets and taxation, the group has undertaken the preparation of a pamphlet guide which would enable local citizens to "know their cities financially." The need for the creation of a municipal credit service to assist local governments in working out problems incidental to their bonded debts was recognized, and a special committee was appointed to investigate ways and means of establishing such a service.

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Los Angeles Budget Director Defends Executive Budget.—Although there is a multiplicity of budget systems in operation in our city and state governments, the trend is undoubtedly toward the executive budget. With respect to who should prepare the budget, Roy A. Knox, director of the Los Angeles bureau of budget and efficiency, spoke as follows in an address to the short course students in the School of Public Administration of the University of Southern California:

"In the past the failure to appreciate the importance of a well rounded biased budget has caused the assignment of this task to an official or group of officials already burdened with an administrative function. This defeats the purpose of a budget at its inception, for no human being actually engaged in the work of a division of government is able to visualize clearly all divisions of the government according to their relative importance. If the governmental unit is so small that the chief executive has time to prepare the annual budget, he is the one to do it; if not, then one or more individuals responsible only to the executive head and not engaged in any other administrative department should be assigned the task. The budget director's duty is to present to the chief executive as clear a picture as is possible of all the services being rendered, or that should be rendered by the governmental agency over which the executive provides. The responsibility and power of deciding any question in connection with the preparation of the budget lies with the chief executive."

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Socialists Lose Control in Reading, Pa.—Reading Socialists secured control of the city government in 1927 by electing three of the five commissioners, and in 1929 they displaced the other two non-Socialists. For various reasons, outlined in a previous article in the REVIEW,[1] the voters, in the words of a local journal, "dissatisfied with the political chicanery of trusted leaders, turned in disgust to the only available avenue as a protest." The Republican leadership in the city and the Democratic in the county were equally susceptible to ridicule. The Socialists capitalized this opportunity as the untried promisers. They captured the city, and they were registering a growing strength in the county.

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[1] May, 1931, pp. 281–289.

In 1927 the Socialists vote equaled the combined vote of the two "major" parties; in 1929 it amounted to 55 per cent of that vote; and at the recent election it was 80 per cent. It was the fusion of the Democrats and Republicans that beat the Socialists on November 3. Both groups sincerely expected victory, and the Fusionists were no less surprised at their narrow margin than were the Socialists at their defeat. The campaign was the most bitter in the memory of the oldest voter.

The item of present interest is the cause of the defeat of both the Socialists and Socialism. These two things have separated themselves in the public mind, and rightly so. The same is true of the other parties, although Socialism has a more definite social program and attracts more attention to itself.

In the first place it was the Family Tree at City Hall. The payroll was well padded with relatives. Because of the asserted civic righteousness of the followers of a cause almost religious, the pie-counter method in office was most conspicuous, and was probably the chief cause of "thumbs-down" by the voters.

The Bible-Flag-School argument was harped on by the Fusionist Publicity Committee. Karl Marx, Russia and local examples were introduced to clinch the argument. Jim Maurer, one of the defeated candidates, emphasized the advisability of teaching Socialism in the schools. Some school children had refused to salute the flag. The Socialists were lukewarm during the War. And Marx wrote something about the necessity of soft-pedaling the Deity in human affairs, if not omitting Him altogether. All of this was summed up in "If the Socialists like Russia why don't they go there where their ultimate plan is nearer fruition?"

"Bonds Mean Bondage" was the battle cry of Reading Socialism when it triumphed in 1927. At that time the city's debt was about $2,700,000; but in 1931 when they sought a renewal of their license to rule the amount had grown to $5,250,000. Besides, and unfortunately, they were forced to borrow for the payrolls. It was discovered that the city's electric light bills were unpaid for two or three months, and it was suspected that there might be other accounts payable that were not on the bill file.

The new government goes into office the first of the year with two hold-over Socialists and three Fusionists, including the mayor.

Henry G. Hodges.

1931 INDEX

The Index for 1931 to the National Municipal Review will be distributed to subscribers with the January issue.

REPORT ON

ACTIVITIES AND ACCOMPLISHMENTS

of the

NATIONAL MUNICIPAL LEAGUE

From November 1, 1930 to October 31, 1931

By

RUSSELL FORBES

Secretary

Supplement to the
NATIONAL MUNICIPAL REVIEW
December, 1931. Vol. XX, No. 12

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REPORT ON WORK OF NATIONAL MUNICIPAL LEAGUE

ACTIVITIES	ACCOMPLISHMENTS
1. PROMOTION OF LEAGUE PRINCIPLES OF BETTER GOVERNMENT	
(a) **City manager plan**	Campaigns for adoption of city manager charters carried on in 49 cities. Many other cities interested in plan. Nineteen cities, including the City of San Juan, Porto Rico, adopted the plan. Total number now 458. Our literature used as campaign material in practically all cases, and our office supplied information and advice in the majority of cases. Published new campaign booklet entitled *Answers to Your Questions About the City Manager Plan.* Issued completely revised edition of *Story of the City Manager Plan.* Compiled list of more than 250 individuals who have agreed to speak without fee on the city manager plan.
(b) **County manager plan**	Adopted by Arlington County, Virginia. Plan based on our *Model County Manager Law.* Montana adopted county manager enabling act. Enabling acts defeated in Iowa and Oklahoma. County manager plan being considered by 17 counties in 12 states.
(c) **Home rule for cities**	Home rule provided for certain cities in Arkansas and Utah by laws passed at 1931 session.
(d) **Election law reform**	Commissions on revision of election laws in Illinois and Michigan used our *Model Election Administration System.* Also helpful in new election code adopted by Pennsylvania and in proposed laws considered in Wisconsin at 1931 session.

ACTIVITIES	ACCOMPLISHMENTS
(e) **Administrative reorganization of state government**	Considered by special commissions or by legislature in North Carolina, Indiana, Missouri, California, Georgia and Maine. Our pamphlet was used as reference material in all these states.
(f) **Short ballot**	Constitutional amendment applying to state officers failed to pass in West Virginia. Recommended by Governor Sampson for adoption in Kentucky.
(g) **Centralized purchasing**	Assisted in drafting laws adopted by Maine and North Carolina to establish centralized purchasing for the state. Assisted in drafting optional law for counties of Ohio which failed in 1931 legislature. Supervised survey of purchasing methods of Chicago and assisted in drafting ordinance to create a new system.
2. PUBLICATIONS	
(a) **National Municipal Review**	Twelve numbers published and distributed to members. Supplements issued on *Report of Work of National Municipal League—Nov. 1, 1929 to Oct. 31, 1930; Standards of Play and Recreation Administration,* and *Theory and Practice in Building Lines under Eminent Domain.*
(b) **Campaign material**	Issued leaflet on *Answers to Your Questions on the City Manager Plan.* Revised edition of *Crane's Digest of City Manager Charters,* to include digest of optional state laws, ready for press when funds can be secured to finance publication.
(c) **New editions of publications**	The following were reprinted during the year: *Federal Aid to the States, Model City Charter, Model Election Administration System, Model Registration System, Practical Workings of Proportional Representation in the United States and Canada, Story of the City Manager Plan.*

ACTIVITIES	ACCOMPLISHMENTS
(d) **Distribution of publications**	During the year 33,448 copies of League publications were sold and 5,818 copies were distributed free (See detailed figures in table at end of this report).
3. PUBLICITY ACTIVITIES	
(a) **News releases and editorials**	Distributed to 1,908 newspapers a total of 49 news releases and editorials. With not over ten per cent coverage of the press by clipping services, we received almost 28,000 column inches of clippings, indicating very wide use of the material. Releases are not confined to work of National Municipal League, but chronicle any outstanding achievement in municipal government and administration. This is one of our most important activities. It has helped greatly to increase the reputation and prestige of the organization. Newspaper editors are constantly consulting our office with respect to local governmental problems.
(b) **Public addresses**	Members of staff at secretariat have made approximately 60 addresses during year on city and county manager plan, centralized purchasing and other League principles. Outside speakers for many other occasions have been secured through our office.
(c) **Pamphlets and magazine articles**	Members of staff at secretariat have prepared pamphlet for the Committee of One Thousand on "County Government in New York City" and two pamphlets for the National Association of Purchasing Agents on "Centralized Purchasing—A Sentry at the Tax Exit Gate" and "Purchasing Laws for States, Counties and Cities." Articles have also been prepared and published in the following publications: *Survey* (two), *Public Management* (two), Community Service Syndicate, *Rural America*, *Municipal Index*, *Kiwanis* Magazine, the *Exchangite*, and *Lion Magazine*.

ACTIVITIES	ACCOMPLISHMENTS
4. COMMITTEES	
(a) **New Municipal Program** *Personnel:* Richard S. Childs, *chairman;* M. N. Baker, John Bauer, Emmett L. Bennett, Alfred Bettman, A. E. Buck, E. A. Cottrell, H. W. Dodds, John N. Edy, John A. Fairlie, Mayo Fesler, Jos. P. Harris, A. R. Hatton, C. P. Messick, W. B. Munro, Thos. H. Reed, Lent D. Upson, Clinton Rogers Woodruff.	Revision of the present edition of the *Model City Charter* has been under way for eighteen months. Committee will meet at Buffalo convention on November 8 to consider suggested redraft of manuscript for new edition.
(b) **Model Administrative Code** *Personnel:* W. Earl Weller, *chairman;* Emmett L. Bennett, *secretary;* John B. Blandford, John N. Edy, Welles A. Gray, Walter Matscheck, Stephen B. Story.	Tentative draft of Model Administrative Code prepared by Emmett L. Bennett ready for criticism by committee at Buffalo convention on November 9. Final report of committee will probably not be ready for another year.
(c) **Park and Playground Administration** *Personnel:* Jay B. Nash, *chairman;* LeRoy E. Bowman, Louis Brownlow, Harold S. Buttenheim, W. P. Capes, Lee F. Hanmer, Randolph O. Huus.	Final report of committee published as supplement to *National Municipal Review* in August, 1931. Has already aroused a great deal of favorable comment.
(d) **Citizen Organization for Municipal Activity** *Personnel:* Henry Bentley, *chairman;* Ralph Holterhoff, Grace R. Howe, Emily Kneubuhl, Walter J. Millard, Edna Strohm, W. E. Weller.	Final report of committee now in manuscript form and ready for publication as soon as funds can be found to finance it. This report, prepared by Henry Bentley, tells the story of the organization and work methods of the Cincinnati City Charter Committee. The report is badly needed for wide distribution to encourage the formation of such committees in other cities.
(e) **Organized Citizens' Participation in City Government** *Personnel:* Carl H. Pforzheimer, *chairman;* William P. Lovett, *secretary;* Harold S. Buttenheim, Mayo Fesler, Sidney Harris, H. W. Marsh, Geo. H. McCaffrey, R. E.	Tentative report being prepared for committee by Elma L. Greenwood, a graduate student of Syracuse University. Final report will probably not be ready for another year.

ACTIVITIES	ACCOMPLISHMENTS
McGahen, Belle Sherwin, Lent D. Upson.	
(f) **County Government** *Personnel:* Frank O. Lowden, *honorary chairman;* John A. Fairlie, *chairman;* R. C. Atkinson, Frank Bane, Arthur Bromage, Edwin A. Cottrell, James W. Errant, Clark Foreman, Harry H. Freeman, Mrs. Walter S. Greenough, Luther Gulick, A. R. Hatton, Howard P. Jones, Wylie Kilpatrick, Walter F. Kirk, Harley L. Lutz, Theodore B. Manny, Kirk H. Porter, Hugh Reid, C. E. Rightor, C. P. Taft, Robert H. Tucker, Paul W. Wager, H. A. Wallace, C. R. White.	This committee, just organized, will continue study initiated by committee which drafted the *Model County Manager Law.* Committee will work through sub-committees on the following phases of the subject: Constitutional provisions on county government; form of county government best adapted to encourage local "determination" in connection with state coöperation and state execution; the length of the ballot (the number of elective officers); relation of county to the state; relation of county officers to the county board; coöperation, coördination, or consolidation between counties and their political subdivisions; county-city consolidation. Need for this study indicated by the remarkable interest all over the country in the improvement of county government. During the year, two states considered constitutional amendments affecting county government; three states appointed commissions to study the subject; three states considered enabling acts to permit the county manager plan; in twelve states consolidation of counties was considered; in four states city-county consolidation has been an issue; and in twenty-three counties in sixteen states reform of county government has been urged by organized citizen groups or by leading newspapers.
(g) **National Committee on Municipal Standards** National Municipal League represented by: Herman C. Beyle, Clarence E. Ridley.	This committee represents the National Municipal League, the Governmental Research Association and the International City Managers' Association. Its function is merely advisory to the staff of the International City Managers' Association which is engaged in devising and installing standards of measurement for street sanitation activities.

ACTIVITIES	ACCOMPLISHMENTS
(h) **National Committee on Municipal Reporting** National Municipal League represented by: Charles A. Beard, A. E. Buck, H. M. Waite.	This committee represents the National Municipal League, Governmental Research Association, American Municipal Association and International City Managers' Association. Its first report, *Public Reporting*, was issued in 1931 as a number of the Municipal Administration Service pamphlet series. Further work program for committee now being planned.
(i) **Selection of Judiciary** Justin Miller, Durham, N. C., *chairman;* Edward M. Martin, Chicago, *secretary*. Personnel of committee now being invited to serve.	This committee represents the National Municipal League, the American Judicature Society and the Johns Hopkins University Institute of Law. It is planning a comprehensive research program which will include a study of the various existing methods of selecting the judiciary. Conclusions which should exert a salutary influence in the improvement of our judicial system will undoubtedly be reached.
(j) **Committees planned**	The personnel and work plans have been prepared for committees on Developments in Municipal Home Rule, Model Special Assessments Law, and Model Corrupt Practices Law; but the committees have not been appointed because of the lack of funds for the necessary research work. It is hoped that these important committees can be organized during the coming year.
5. HISTORY OF NATIONAL MUNICIPAL LEAGUE	A history of the National Municipal League is in preparation by Professor Frank M. Stewart of the University of Texas, author of the *History of the National Civil Service Reform League*. This volume will not be ready for publication for at least another year.
6. ANNUAL MEETING	The thirty-sixth annual meeting was held in Cleveland on November 10, 11 and 12, 1930, and was attended by 285 delegates. The thirty-seventh annual meeting will be held in Buffalo on November 9, 10 and 11, 1931, in conjunction with the American Legis-

ACTIVITIES	ACCOMPLISHMENTS
6. Annual Meeting (*Continued*)	lator's Association, the National Association of Civic Secretaries, the Governmental Research Association and the Proportional Representation League. These meetings, one of the outstanding national gatherings on municipal government and administration, are called the National Conference on Government. The Buffalo Municipal Research Bureau is acting as host to our 1931 meeting, with Harry H. Freeman, director, in charge of local arrangements.
7. Membership	On October 31, 1930, the paid-in-advance membership was 2,465. Today it is 2,459, a net loss of 6. During the year 228 names were dropped from the membership because of failure to renew; 274 members resigned; and 7 died. To offset these losses, we secured 503 new members through diligent and consistent effort. During the year the number of sustaining members paying $10 per year has been increased from 500 to 646. This very encouraging record in membership promotion has been made possible through the coöperation of several of our officers and vitally interested members some of whom prepared lists of prospective members and signed letters of invitation on their own personal stationery, supplemented by letters from the secretariat. For such help we are indebted to: Henry Burden, Miles Menander Dawson, H. Ettinger, H. G. Fishack, W. M. Hall, Jos. P. Harris, John Randolph Haynes, Frederick L. Keller, Morris Knowles, William P. Lovett, Jos. T. Miller, H. J. Miller, Arthur Noack, Emery E. Olson, Lawson Purdy, Joseph Roucek, Frank M. Stewart, Lent D. Upson, A. Leo Weil.

SUMMARY

The year just closed has been an exceedingly busy period, with more work to do than ever before and with less funds to finance it. State and local governments have been confronted with a financial situation comparable to our own, and they have come to us for advice and aid in the solution of their problems of how to make both ends meet. The number of inquiries for information and literature has greatly increased. The calls for advice in conducting campaigns, the requests for speakers and the number of office conferences with visiting officials and members have been steadily growing. On the other hand, the amount of contributions have decreased because of the prevailing depression. As a result, we have been compelled to curtail our publication program to the minimum and to trim our sails in every possible way. Despite our best efforts to economize, we have been compelled to see our deficit increase over last year's figure of $4,000 as shown by the report of the auditor published in the *National Municipal Review* for July, 1931. Unless some of our contributors increase their gifts for the current year or unless some new source of contributions can be found before December 31, we shall end our fiscal year in a serious financial jam. We would long ago have been compelled to close our doors and to suspend operations were it not for the Rumford Press, printers of the *National Municipal Review,* who have generously been willing to extend credit until such time as funds are secured.

The results of membership solicitation have, however, been the source of considerable encouragement. For any reform organization to maintain its membership level under present conditions is proof enough of its prestige and of the moral support of its members. It would have been impossible to achieve this membership record without the efforts of our officers and members who assisted in local campaigns as explained above.

The League Council has been especially active and helpful during the past year. It held a two-day meeting in Chicago in February and devoted many hours to serious discussion of our present work and future program. Carl H. Pforzheimer, our treasurer, has helped in many ways. Louis Brownlow, first vice-president, who is director of the Public Administration Clearing House, has been of great help in scores of instances. In classifying our members on the basis of service, the name of Richard S. Childs, like that of Abou Ben Adhem, leads all the rest. For the third successive year, Mr. Childs has served as president and has not only given more time to our work than any one else but has also been our most generous contributor. It is not an exaggeration to say that without his energetic support for the past decade the National Municipal League would have ceased to exist.

But the League does exist. Indeed, it seems now to be standing on the threshold of a really dynamic future. The principles for which it stands are successfully meeting the test of experience. All over the country there is an insistent demand for the reform and reorganization of county government. In this field lies our greatest opportunity for service. It would be feasible for the National Municipal League, could funds be secured, to spend on county government alone the amount of its total current budget. Even with limited funds, we shall make a valuable contribution to the betterment of county government in the year ahead. Through our public relations work and its close coördination with our every other activity, the name of the League is becoming better known. We are now in a strategic position to develop into the dominant and militant national reform organization in the field of state and local government.

Respectfully submitted,
Russell Forbes,
Secretary.

DISTRIBUTION OF NATIONAL MUNICIPAL LEAGUE PUBLICATIONS

November 1, 1930, to October 31, 1931

Title	*Free*	*Sold*	*Total*
Administrative Consolidation in State Governments	41	494	535
Administrative Reorganization in Illinois	3	30	33
Airports as a Factor in City Planning	1	47	48
Answers to Your Questions About the Manager Plan	514	4,011	4,525
Assessment of Real Estate	4	183	187
Building Lines Under Eminent Domain, Theory and Practice in	48	84	132
Buildings, Fitz-Elwyne's Assize of	1	12	13
City Manager Plan at Work	534	2,346	2,880
County, The	0	9	9
County Manager Plan	117	186	303
City Manager Plan of City Government	141	89	230
Dayton's Sixteen Years of City Manager Government	37	70	107
Electric Light and Power as a Public Utility	0	5	5
Electricity in Great Britain	2	20	22
Employment Management in the Municipal Civil Service	1	47	48
Excess Condemnation, Why We Need	1	42	43
Federal Aid to the States	0	32	32
Five Years of City Manager Government in Cleveland	36	126	162
German Cities since the Revolution of 1918	0	36	36
Government of Metropolitan Areas	78	533	611
Law of the City Plan	2	58	60
Loose-leaf Digest of City Manager Charters	0	24	24
Minor Highway Privileges as a Source of Municipal Revenue	1	37	38
Model Bond Law	43	103	146
Model Municipal Budget Law	28	108	136
Model County Manager Law	102	275	377
Model City Charter	71	237	308
Model Election Administration System	128	561	689
Model Registration System	48	98	146
Model State Constitution	45	940	985
Municipal Salaries Under the Changing Price Level	1	40	41
National Municipal League Series of Books	0	46	46
*National Municipal Review	1,547	2,551	4,098
New Charter Proposals for Norwood, Mass.	0	15	15
New York City Board of Estimate and Apportionment	4	139	143
Practical Workings of Proportional Representation in the United States and Canada	20	632	652
President's Removal Power under the Constitution	1	106	107
Primer Chart of Typical City Governments	2	7	9
Public Borrowing	9	170	179
Reprints of National Municipal League Articles	537	72	609
Short Ballot	51	253	304
Special Assessments for Public Improvements	2	143	145
Standards of Play and Recreation Administration	113	299	412
State Parks	0	41	41
State Welfare Administration and Consolidated Government	1	25	26
Story of the City Manager Plan	1,497	18,025	19,522
Water Power in New York State	6	41	47
	5,818	33,448	39,266

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